

Enhance

Innovate

Shift

PURSUING THE CHANGE



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TPC, the ASEAN vinyl leader

A strong foundation with a focus on expanding the business and creating added value from innovative products and services to achieve sustainable business growth in the region.

ENHANCE COMPETITIVENESS

Expansion of production capacity and reduction of cost to enhance competitiveness

TPC is going forward to increase manufacturing capacity of VCM, a major raw material to produce PVC. In 2015, TPC's capacity to produce VCM was increased to 590,000 tons per year, reducing the need to import from overseas. It also consistently implemented other cost reduction measures with a Focused Improvement process to enhance competitiveness.





INNOVATE CREATIVE PRODUCTS & SERVICES

Creating value-added innovations for products and services

TPC has continuously invested in research and development to invent innovative products and services; in the past years, several products have been launched in the market. Examples of these innovative products and services include special PVC compound for cable shields, durable and highly safe PVC compound for refrigerator rubber rim, and Windsor Smart vinyl rain gutter systems. As a result, TPC has gained profits from selling these value-added products consistently.

WINDSOR 
smart

SHIFT CULTURE & PROCESSES BY ADOPTING WORLD-CLASS PRACTICES

Adjusting working processes and creating new culture towards global standards

TPC has always developed and improved its business practice and operations; in 2015, a system called Integrated Business Excellence (IBE) was implemented for the purpose of improving the production process, planning and managing supply chain as well as promoting creation of corporate culture and maximizing management efficiency. In addition to this, another system called Process Safety Management (PSM) was also implemented to heighten the safety standards equivalent to those of leading global companies.



1. Business visions and strategies



1.1 Our Vision and Mission

Thai Plastic and Chemicals Public Company Limited initiated and pioneered the vinyl industry in Thailand and has been running its enterprise for more than 40 years, while continuously expanding production plants across ASEAN countries. Presently, the Company's main production capacities are situated in 3 countries: Thailand, Vietnam, and Indonesia.

The Company operates under the vision:

"to be ASEAN leader in vinyl business"

and the main mission:

"to grow by expanding its investment in the region and adding value through innovative products and services for sustainable development."

1.2 Characteristics of Business Operations

Thai Plastic and Chemicals Public Company Limited also known as **TPC**, together with its subsidiaries, is a Thai corporate entity in the PVC industry and related businesses. The Company is the leader in vinyl business in ASEAN with manufacturing bases in three countries, namely Thailand, Vietnam, and Indonesia. Founded in 1966, the Company pioneered PVC production in Thailand and became the first PVC manufacturer in Vietnam by the establishment of a joint venture in 1995. The Company is committed to producing high-quality PVC and developing new products made of PVC. These products contribute to a higher consumers' standard of living in the ASEAN region and will serve as replacements for natural wood in the construction industry. At the end of 2015, TPC's total production capacity of PVC resin amounted to 886,000 tons per year – the largest in ASEAN.

The PVC industry is TPC's main business. A certain amount of investment has been made in downstream businesses that make use of PVC as their raw materials, such as the manufacturing of PVC compound, PVC pipe and fittings, and other finished products made from PVC. The purposes of such investments are to add value to the Company's PVC production, enhance the stability of PVC prices, and develop new PVC-based products for the market, thus increasing the demand for PVC itself. The Company aims to maintain its leadership in the regional PVC industry by expanding its investment in the region, increasing its raw material production capacity to keep pace with the requirement, and making its production as integrated as possible. The Company will continue to consider suitable types and sizes of investments related to downstream businesses in the PVC industry to encourage the consumption of new uses for PVC.

The Company strives to create returns on its business that accords to its commitment for a strict protection of the environment. Other commitments include ongoing research and development, personnel development, activities of benefit to society, and good corporate governance. The aims of all these are to form a strong business capable of competing in the global market and generating sustainable growth.



1.3 History of Company and Major Developments

1966

TPC was registered as a limited company under the name “Thai Plastic and Chemicals Company Limited” (TPC) for the production and distribution of PVC resin and related businesses.

1972

Mitsui & Co., Ltd. of Japan and Thai Asahi Chemical Products Co., Ltd. invested in the Company and signed an agreement for technological cooperation with Mitsui Toatsu Chemicals Inc. of Japan.

1989

The Company established Riken (Thailand) Co., Ltd. as a joint venture with Riken Vinyl Industry Co., Ltd., Mitsui & Co., Ltd. of Japan and Mitr Siam International (Thailand) Co., Ltd. to produce special-grade PVC compound for Japanese companies with production facilities in Thailand, and for export, holding 35% of share capital.

1971

The first PVC plant in Thailand, in Samut Prakarn, commenced its commercial production.

1984

The Company registered common shares as a registered company in the Stock Exchange of Thailand under the name **TPC**.

The Company joined the state's Eastern Seaboard Industrial Project as a founding member and invested in a 5.40% share of National Petrochemical Co., Ltd. It became one of the four downstream purchasers of ethylene from National Petrochemical.

1990

Rayong Plant, the Company's second PVC plant, at Map Ta Phut Industrial Estate, started its commercial production.

The Company established Siam Stabilizers and Chemicals Co., Ltd. as a joint venture with Mizusawa Industrial Chemicals Co., Ltd. and Mitsui & Co., Ltd. of Japan and Mitr Siam International (Thailand) Co., Ltd. to produce compound additives that enhance the capacity of PVC to withstand high temperatures, holding 60% of share capital.

1992

His Majesty the King and Her Royal Highness Princess Chakri Sirindhorn graciously presided over the official opening of the Group 1 Petrochemical Industry (in which the Company is one of the four companies) at Map Ta Phut Industrial Estate.

1994

The Company acquired public company status under the name “Thai Plastic and Chemicals Public Company Limited”.

The Company established Viet-Thai Plastchem Co., Ltd. as a joint venture with Vietnam Plastic Corporation (VinaPlast) of Vietnam for the production and distribution of PVC compound in Vietnam, holding 66.28% of share capital

1996

The Company and SCG Chemicals Co., Ltd. established PT. Siam Maspion Polymers (SMP) as a joint venture with the Maspion Group of Indonesia for the production and distribution of PVC resin in Indonesia, holding 20% of share capital.

The Company invested in Rayong Olefins Co., Ltd. with a number of companies in the petrochemical industry for the production and distribution of ethylene, holding 7% of share capital.

1993

The Company established a branch office in Ho Chi Minh City, Vietnam, to gather market information with an eye to expand the Company's PVC business.

The Company established TPC-OXY Co., Ltd. as a joint venture with Occidental Chemical Corporation of the USA for the production and distribution of PVC paste resin, holding 51% of share capital.

1995

The Company established Mitsui Vina Plastic and Chemical Corp., Ltd. as a joint venture with Mitsui & Co., Ltd., Mitsui Toatsu Chemicals Inc. of Japan, Vietnam Plastic Corporation (VinaPlast) and Fertilizers & Basic Chemical Corp., Ltd. (Ferchemco) of Vietnam for the production and distribution of PVC resin in Vietnam, holding 24% of share capital.

1998

Mitsui Vina Plastic and Chemical Corp., Ltd., the first PVC plant in Vietnam, started its commercial production.

The Company established Total Plant Service Co., Ltd. (TPS) to provide engineering design, repair and maintenance, production process design, and environmental management services.



1999

The Company acquired entire share capital in Nawaplastic Industry (Saraburi) Co., Ltd. and Nawaplastic Industry Co., Ltd. which manufacture and distribute PVC pipe and fittings and finished PVC products, as a base for developing newly finished PVC products and markets for the construction industry, and thereby increasing the use of PVC in Thailand.

The Company increased its share proportion in Viet-Thai Plastchem Co., Ltd. by converting its share of liability into capital, raising its ownership from 66.28 to 72.49%.

2001

The Company acquired all share capital in TPC-OXY Co., Ltd., and changed its name to TPC Paste Resin Co., Ltd.

2004

The Siam Cement Public Company Limited offered to purchase common shares of the Company from other shareholders, increasing its shares in the Company from 36.27 to 39.61%.

A subsidiary of the Company established ChemTech Co., Ltd. for the production and distribution of XLPE compound in Vietnam.

The Company invested, through a subsidiary, in the purchase of 25% common shares of Interplastic Co., Ltd. which manufactures PVC pipe in Laos.

2000

The Company increased its proportion of share capital held in Mitsui Vina Plastic and Chemical Corp., Ltd. from 24 to 70%. The name of the company was also changed to TPC Vina Plastic and Chemical Corp., Ltd. (TPC Vina).

2003

A subsidiary of the Company established Nawa Intertech Co, Ltd. for the production and distribution of molds in Thailand.

2005

The Company and The Siam Cement Public Company Limited acquired all common shares of PT. Siam Maspion Polymers (SMP), and changed its name to PT. TPC Indo Plastic and Chemicals (TPC Indo), indirectly increasing the Company's share from 20 to 40%.



2006

A subsidiary of the Company established Minh Thai House Component Co., Ltd. together with a local investor for the production and distribution of Finished PVC products for construction purposes in Vietnam. The subsidiary of the Company holds 60% of all shares.

2010

TPC Vina Plastic and Chemical Corp., Ltd. (TPC Vina) in Vietnam began its commercial production. PVC plant, Line 2 production capacity is 90,000 tons per year as of July 2010.

2013

All operations, both domestic and international, such as sales, logistics, and research and development, were performed in collaboration with SCG with the primary objective of joining powers in the level of strategy, operations and supports. The company enhanced its work performance by sharing information and utilization of shared resources, as well as knowledge and skills, synchronization of processes, and better communication.

The headquarters was relocated from 183 Rajanakarn Building, South Sathorn Road, Yannawa, Sathorn, Bangkok, to SCG 100th Year Building, 1 Siam Cement Road, Bangsue, Bangkok.

2008

A subsidiary of the Company joined local Cambodian investors in the establishment of Nawacam Co., Ltd. for the production and distribution of PVC pipe and fittings. Its shares in the new venture are 40%.

The Company acquired more shares through a registered capital increase for Minh Thai House Component Co., Ltd., raising its shares from 60 to 80%.

The Company also joined the first integrated petrochemical project in Vietnam with Vina SCG Chemicals Co., Ltd., Vietnam Oil & Gas Group, Vietnam National Chemical, and QPI Vietnam Limited Corporation with 18% of all shares.

Total Plant Service Co., Ltd. changed its nature to a Holding Company.

The PVC production facilities at Samut Prakarn closed down.

2012

The Siam Cement Public Company Limited which owns 100% of the shares in SCG Chemicals Co., Ltd. acquired the shares from major shareholders on January 30, 2012. As a result, SCG and its subsidiaries increased the proportion of share capital from 45.64% to 75.76% and also submitted the form of tender offer to other shareholders on February 9, 2012. On December 31, 2012, its shares in the Company increased to 90.67%.

The Company collaborated with Siam Cement Public Company Limited and SCG Chemicals Co., Ltd. (collectively referred to as SCG) to achieve maximum benefit. The operations on marketing and business support, as well as internal audit of the company, were transferred to SCG. For internal audit, reports still remained to be submitted directly to the Audit Committee to maintain their independence.

2015

The Company expanded its production capacity of VCM, a crucial raw material for PVC production, to reduce outsource-dependence. The attempt was successfully completed in Q2 of year 2015, resulting in total VCM production capacity of 590,000 tons per year.

2. Message from the Board of Directors



Cholanat Yanaranop
Chairman

Suchai Asvathavornvanit
Managing Director

In 2015 the world economy continued to grow slowly with the economic slowdown in China, both in production and investment sectors, while Greece's debt crisis in Europe showed no clear sign of recovery. The ASEAN economy, on the other hand, consistently grew due to infrastructure development in spite of setbacks from political issues in each country. Meanwhile, Thailand's economy was slowly recovering with the growth of real estate segments decelerated from excess supply accumulated from previous years, leading to a moderate overall growth of 4% for the vinyl industry, stemming mainly from irrigation projects funded by both the government and the private sectors.

Thai Plastic and Chemicals Public Company Limited and its subsidiaries obtained a total revenue of 29,578 MB, operating profits of 2,129 million Baht and net profits of 2,261 million Baht, a 166% increase from 2014. Relatively low oil prices – resulting from OPEC countries maintaining high level of oil production to protect their market share from US shale oil producers – and increased VCM production capacity led to lower costs for raw materials and higher competitiveness, netting higher profits for the Company as a result.

The Company is fully aware of its role in the vinyl industry, which is vital in many aspects of national development such as construction segment, industry segment, and agriculture segment. Therefore, the Company is committed to expanding its capabilities and developing its business to achieve sustainable growth using the following two key strategies:

Research and Development of Innovative High Value Added Products and Services (HVA)

The Company has a collaboration network with SCG to develop innovative high value added products and services to raise the quality of life such as safety, convenience, and modern aesthetics of consumers, while still retaining eco-friendliness. In year 2015, the Company introduced several new products to the market such as PVC compound for special flame retardant cable shields, PVC paste resin for production of more vibrant, colorful, and mold-proof wallpaper, “Windsor Smart Series” vinyl rain gutter which integrate practicality and aesthetics perfectly within a reasonable budget.

Sustainable Growth in ASEAN

The Company focuses on continuously expanding its investments in order to grow together with ASEAN, with an emphasis on increasing production capacity of downstream businesses to accommodate the steady rise of regional demand and achieve strong

integration in its supply chain for sustainable growth. And in the year 2015, the Company successfully expanded its production capacity of VCM, a key raw material to make PVC, in order to reduce the dependency on outsourced raw materials. The project completed in Q2 of year 2015, resulting in 590,000 tons per annum of VCM production capacity in total.

Apart from the crucial aforementioned strategies which help mitigate the impact from price competition of low-cost producers, the Company is also committed to improving its production and management process to raise its operational standards to be equivalent to that of world-leading enterprises by implementing a system called Integrated Business Excellence (IBE) with the intention to systematically revolutionize its working culture. As of 2015, the Company was successful in an attempt to reduce various major operation costs such as reducing the amount of spare parts worth 63 million Baht, the amount of inventory goods worth 43 million Baht, and the amount of energy usage worth 27 million Baht. Moreover, the Company also employed a system called Process Safety Management (PSM) to manage safety concerns in its production processes, yielding highly successful results as the Company was able to upsize its VCM production capacity without any case of severe incidents.

Lastly, we would like to express our gratitude to all shareholders, business partners, clients, employees, financial institutes and other relevant parties for your continuous contribution and support for the Company. The Board of Directors will ensure that our business conduct is in accordance with good governance and ethics for maximum benefit for all relevant parties and will expand the Company's capacity to achieve sustainable growth together with Thailand and ASEAN economy, while still maintaining its regional leading position in the vinyl industry.

3. Important Financial Information

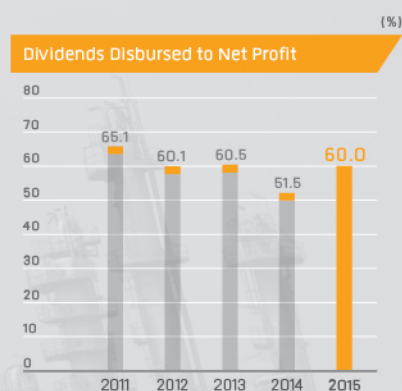
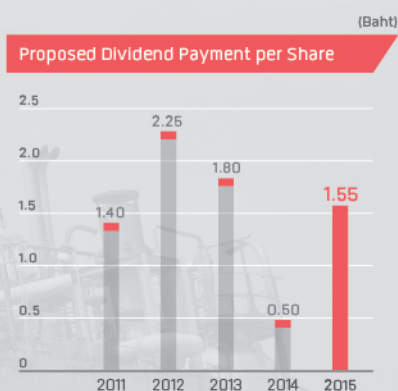
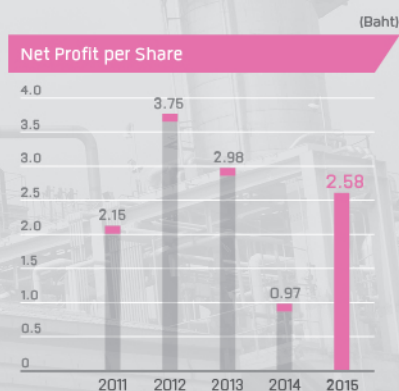
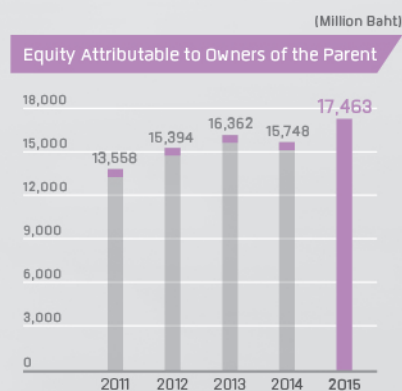
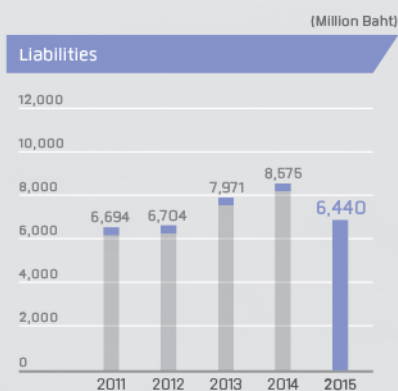
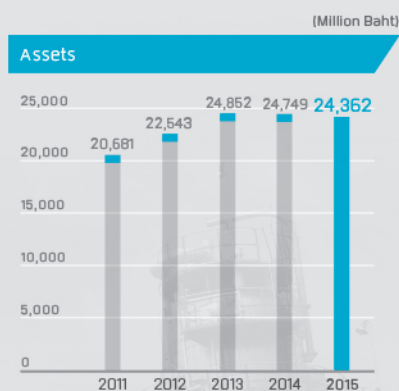
Thai Plastic and Chemicals Public Company Limited and its subsidiaries

5–Years Overall Operations and Financial Position of the Company and its Subsidiaries

	2015	2014	2013	2012	2011
Statement of Income (Million Baht)					
Total Revenue	30,507	32,240	33,007	30,332	31,218
Cost of Sale of Goods and Other Expenses	28,175	31,361	30,314	26,963	29,323
Net Profit	2,261	849	2,605	3,277	1,880
EBITDA	4,077	2,247	3,867	4,909	3,579
Statements of Financial Position (Million Baht)					
Assets	24,362	24,749	24,852	22,543	20,681
Liabilities	6,440	8,575	7,971	6,704	6,694
Equity Attributable to Owners of the Parent	17,463	15,748	16,362	15,394	13,558
Financial Ratios					
Number of Share Issued (Million)	875	875	875	875	875
Book Value per Share (Baht)	19.96	18.00	18.70	17.59	15.49
Net Profit per Share (Baht)	2.58	0.97	2.98	3.75	2.15
Proposed Dividend Payment per Share (Baht)	1.55	0.50	1.80	2.25	1.40
Dividends Disbursed to Net Profit (%)	60.0	51.5	60.5	60.1	65.1
Net Profit to Total Revenue (%)	7.4	2.6	7.9	10.8	6.0
Return on Assets (%)	9.3	3.4	10.5	14.5	9.1
Return on Equity (%)	13.0	5.4	15.9	21.3	13.9

4. Operating Results

Thai Plastic and Chemicals Public Company Limited and its subsidiaries



Board of Directors



Chaovalit Ekabut
Director

**Mr. Cholanat
Yanaranop**
Chairman

**Mr. Dhep
Vongvanich**
Director and Chairman
of the Nomination and
Remuneration
Committee

**Mr. Aviruth
Wongbuddhapitak**
Director



**Mr. Somchai
Wangwattanapanich**
Director and
the Nomination
and Remuneration
Committee

**Mr. Prawit
Ninsuvannakul**
Independent Director
and Chairman of
the Audit Committee

**Mr. Somchai
Kongsala**
Independent Director,
Member of the Audit
Committee and the
Nomination and
Remuneration Committee

**Mr. Apiporn
Pasawat**
Independent Director
and Member of the
Audit Committee

**Mr. Suchai
Asvathavornvanit**
Director and
Managing Director

The Executives and Corporate Manager in Accounting



Mr. Suchai Asvathavornvanit
Director and Managing Director



Mr. Somchai Thanomjitvisutti
VCM Production Division Manager



Mr. Santi Udomnitirat
PVC Production Division Manager



Mr. Prakob Jindamaneepon
Compound Plant Manager



Ms. Poranee Mekayarajjananonth
Business Development
and Supply Chain Division Manager



Mrs. Voranun Sodanin
Chief Accounting Officer

Operational Performance



5. Operational Performance

5.1 Revenue Structure

Revenue from Sales	2015		2014		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
1. PVC Business	19,276	65	21,405	67	22,634	70
2. Related to PVC Business	9,567	32	9,544	30	8,930	28
3. Others	735	3	921	3	807	2
Total	29,578	100	31,870	100	32,371	100

5.2 Summary of Operating Results

Marketing and Competition

In year 2015, the Company put emphasis on promoting its clients to produce more environmental friendly products such as the Green Label vinyl floor tile. Also, the Company consistently invented and developed products with High Value Added (HVA), reinforced collaboration with clients for technical, production and marketing aspects in order to create new products, adjusted the product formulation to fully address the clients' specific demands as well as focused on strengthening its business relationship. Furthermore, to maximize client satisfaction and operation efficiency, the Company has continued to improve its in services, supply chain management, and inventory management.

For export market, the Company has kept its focus on exporting to ASEAN countries, which has been the main market, while seeking new opportunities in other regions to expand its HVA product sales base. In addition, the Company joined hands with its associates resided overseas to boost operation and product distribution effectiveness in order to meet the clients' requirements and stretch its competitive boundaries.

The PVC Industry and Market

In 2015, the global demand growth of PVC was approximately 4% as the economies of USA and Europe were still in slow recovery. Therefore, the consumption and investment in the private sector and real estate business improved compared to previous year. However, affected by the government's economy reform policies, economy in China was still in slowdown, resulting in a dim situation in construction sector even though the price in real estate was slowly regaining balance. India market, however, still maintained its growth of PVC demand fairly well.

Thailand's PVC market grew approximately 2% compared to last year which was affected by investment slowdown in construction business of private sector according to deceleration of the economy. Meanwhile, government investment in infrastructure was approved later than anticipated; as a result, most of the projects were postponed to year 2016 instead. In addition, the export of finished goods continued to be affected by the contraction of demand in international market, fluctuation of exchange rate, and the increase of competition from China's finished goods.

PVC market in Vietnam expanded roughly by 16% with the construction sector was growing steadily from the rise of private sector's real estate projects and the upcoming numerous government construction projects in this year. Furthermore, the overall domestic spending was also getting better due to the supports from banking policies such as expansionary monetary policies, adjustment of foreign exchange rate, and keeping inflation rate at a low level.

PVC market in Indonesia expanded approximately by 5% from the government policies to boost the economy by abolishing certain rules that impeded the development in manufacturing sector in the country. However, in first half of year, the PVC demand was affected by the delay in the disbursement of public funds in infrastructure before the construction sector improved dramatically in the 2nd half of year after the fund disbursement.

PVC

In 2015, the PVC average price in Asia dropped to 820 US dollars per ton or 19% compared to previous year due to the drastic downfall of crude oil price in global market since the end of 2014, causing the prices of variety of products in petrochemical industry

to subsequently reduce. Also, the demand in Asia was affected from the economic downfall in China.

VCM

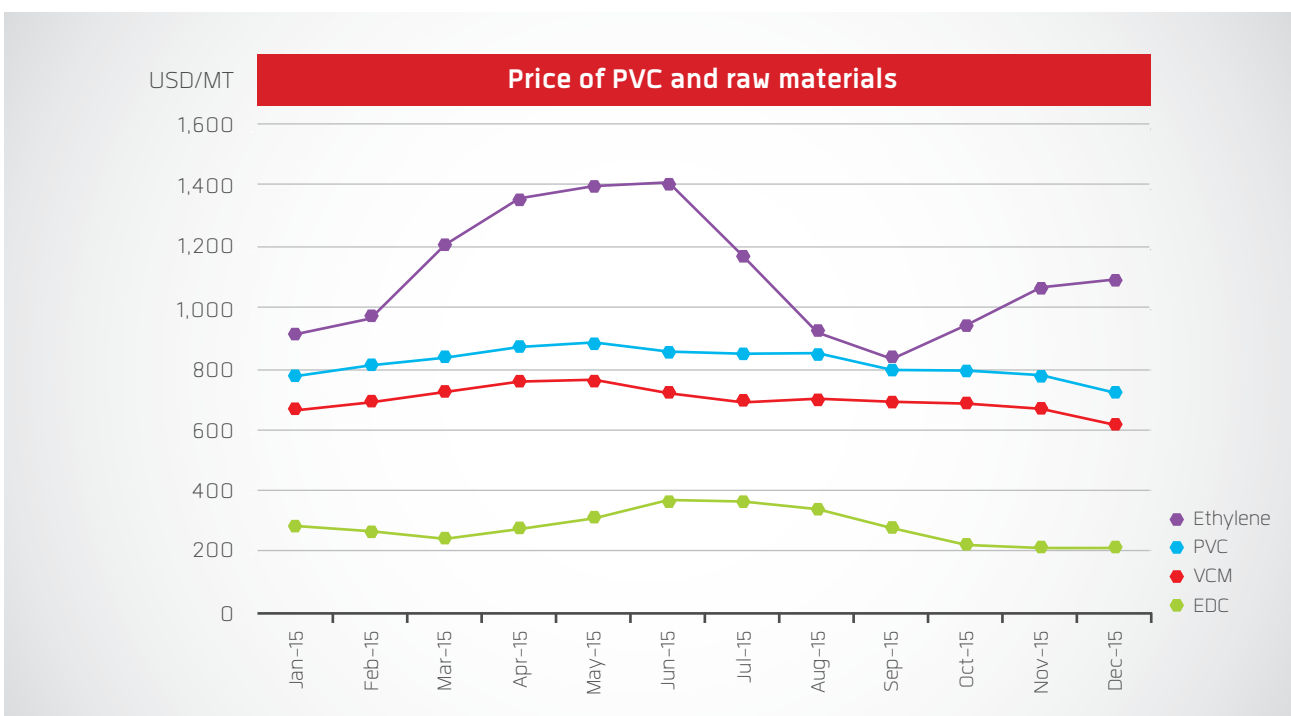
The average price of VCM in 2015 was 698 US dollars per ton, 23% decreased compared to previous year; the reason was the decline in average price of EDC and ethylene according to the global oil market combined with the ease of VCM supply tension due to expanded VCM production capacity in the region.

EDC

The average price of EDC in 2015 was 282 US dollars per ton, 36% decreased compared to previous year as the average cost of ethylene dropped combined with the improved EDC supply situation from major EDC manufacturers in USA and the Middle East.

Ethylene

The average ethylene price in 2015 was 1,102 US dollars per ton, 21% decreased compared to previous year due to the rapid decline in price of naphtha according to the oil price in global market since Q4 of year 2014, leading to a price drop in 2015.



Business Development, Corporate Development and Management

The Company aims to strengthen balance of its supply chains to achieve sustainable growth by expanding its production capacity of VCM, a crucial raw material for PVC production, to reduce outsource-dependence. The attempt was successfully completed in Q2 of year 2015, resulting in total VCM production capacity of 590,000 tons per annum. As for the development of downstream businesses in response to market demands, the Company is committed to continuously developing new products that can meet clients' needs, such as Windsor Smart Series vinyl windows and doors, enabling the Company to cover all market segments.

The very first fully integrated petrochemical project in Vietnam is now in the process of searching for a new business partner as a replacement for the recently-withdrawn partner from Qatar. The Company intends to have the chair replaced within Q2 of year 2016 to minimize any delay. As such, in 2015, the project has completed tender for sub-contractors in construction work while still in the process of searching for financing sources.

As for the improvement in corporate efficiency and management, the Company has employed "Integrated Business Excellence" (IBE) system in addition of existing practices. IBE has enabled sales strategies and production plans to be forecasted at least 18 months beforehand, ensuring more systematic and continuous operations. This allows the company to adjust product groups to fit the fast paced and ever-changing markets accordingly. Furthermore, it will also be used to devise development plans for products of high value in order to develop, manufacture and commercialize products that will meet the market demand just-in-time, leading to continuous growth of profitability.

Product Development and R&D

In 2015, the Company invested in R&D in total of 108 MB, aiming for launching new products to the market in order to alleviate quality of life for consumers including health, convenience, and modernized product design while still retain their environmental friendliness such as development of PVC paste resin formula to be used in wallpapers for more vibrant and stylish appearance

as well as mold-proof property and a new formula of antifouling agent which helps improve the efficiency of VCM production process.

The Company invested in several machines and equipment to enhance its new product development capability such as a homogenizer and a latex stability tester for preparing PVC paste prototype before full-scale production which helps reduce lead time required in PVC paste development, a capillary rheometer to simulate product fabrication, a crown cap crimping machine, a ventilation gear oven etc. Also, experts and specialists were employed as consultants to ensure that the quality of newly developed products best meet the clients and the market requirements.

For the compound products, there were numerous developments of new high value added products both domestic and oversea in wide range of applications. One example in wire and cable application is PVC compound for special cable jacket that is highly resistant to fire and weather and able to be fabricated at faster speed with enhanced productivity and alleviated safety for residential home and high-rise buildings. Another development in wire and cable application is the improvement in cross-linked polyethylene compound for insulation in wire and cable. The new property helps cable manufacturers increase production rate while cut down working processes and cost. In construction application, there is a compound product developed for corrugated outdoor conduit pipe with weather-resistant properties and heavy-metal free which is environmentally friendly and helps prolong product life. For electrical appliances segment, a compound used as refrigerator rubber rim has been developed; the material is resistant to both high and low temperature, resistant to chemicals, mold-proof, odorless and no plasticizer migration, offering high level of safety for consumers. In addition, a compound grade was developed for packaging bottle focusing on clarity, resistance to impact and environmental friendliness.

For fabricated products, Nawaplastic Industries Co., Ltd, a subsidiary company producing vinyl window and door under the brand WINDSOR, has developed SMART series products with a concept encompassing a perfect balance between sense of aesthetics and practicality. The SMART series includes door, window and rain gutter systems which focus on advanced engineering design using simulation technology to help analyze various features for better durability, weather resistance, and



longer product life. Also, the products are equipped with new technologies that are exclusive only to WINDSOR, namely Fast Framing Technology for quick installation and Z-lock Technology which enhances durability of sliding system.

Production Process Improvement

The Company realized the importance of sustainable development of its production processes, with emphasis on safety awareness and environmental friendliness and has improved the PVC and VCM production processes to achieve maximum efficiency as it works towards becoming a World Class PVC Manufacturer. Total Productive Maintenance (TPM) activities have been implemented with aim to achieve TPM Advanced Special Award by 2016. In addition, the Company employed an approach called Integrated Business Excellence (IBE) to further enhance manufacturing cost reduction and also applied Learning Talent Transformation Program to advance its personnel performances as well.

As for the VCM production process, the Company successfully expanded its production capacity in Q2 of year 2015 by implementing advanced technology and machinery into the systems, for better safety, environmentally friendliness, and cost reduction. The implementations included installation of transfer line exchanger system in EDC cracking process and reduction of steam usage from repeated EDC

distillation by installing imported EDC dehydrator to optimize energy consumption and decrease emission of greenhouse gases to avoid global warming.

For PVC production, the Just in Time production strategy has been applied to the process to increase efficiency with low-cost production. The Company also improved its internal information flow management to be able to provide the most effective response to the ever-changing situation as well as the needs of clients to achieve maximum satisfaction. Moreover, it also increased the effectiveness of daily administration by preparing KPI Cascade Board for employee of all levels in order to monitor their respective responsibilities and achieve consistency on mutual goals, contributing to reach the company's missions.

For compound production process, the Company still consistently maintained TPM activities with experts from JIPM as consultants to make the production process and supply chain system more effective and able to quickly tend to clients' various needs. The Company was ready to be assessed for the TPM award: Award for Excellence in Consistent TPM Commitment.

As for the production of finishing goods, Nawaplastic Industry Co., Ltd. has improved its production process to be more efficient in energy consumption, increase the yield and reduce loss productivity using its in-house innovations such as process shortening technique, induction heater controlling and automation for safety etc.

As a result, the Company then received The Prime Ministry Award in energy management and the ICQ's Golden Award from South Korea for its excellence in operation improvement.

Human Resource Management

Since the world is changing rapidly and has shifted into an era of knowledge-based management (Knowledge Economy), and in order to increase the capability and capacity of the organization to be more ready, the Company focuses on creating competitive advantage in many different aspects, especially management of 'people' as it believes that creating or development of 'people' within the organization will yield immense values and truly give it an edge for long-term competitions. Therefore, the Company always recognizes its employees as human capital and its invaluable assets.

Consequently, the Company focuses on creating and expanding capacity and motivating its personnel, pushing them towards to perform activities and achieve the organization's goals as a whole. It initiates HR modernization by employing educational processes and development of the personnel's mindset and behaviors. As such, the Company collaborates with leading consultant entities with undisputed reputation such as DuPont and leading educational consultants such as Duke Corporate Education to devise and promote more effective and more sustainable working culture as a saying "happiness leads

to workplace successes" by incorporating combinations of various new tools into HR management such as development of IT systems for more modern and effective HR management. The Company introduces e-HR system to enhance personnel management services for better mobility, granting all employees ability to manage the personnel-related matters by their own hands (Self Service) with instantaneous response for any modification made in the system (Real Time Accuracy). Recently, the Company is in collaboration with SCG subsidiaries to develop Learning Management System, which is a software designed to manage web-based learning and includes many tools for instructor, learner and moderators to utilize.

All in all, the Company still focuses on proactive strategies in personnel positioning, hiring and selection, development as well as retention of talents to support all the performances and missions of the organization to achieve the goals in most effective and most efficient manners.

- **Workforce Planning**

The Company has devised workforce planning scheme to prepare its personnel both in terms of 'quantity' - that the personnel is sufficient in numbers and 'quality' in which the personnel possesses the right abilities, skills and attitude. In addition, the Company also initiates valuable personnel identification (Strategic Position) that will lead to management and development of high performance individuals (Talent Management) via competency-oriented



learning system in accordance with position succession plan to support the business growth in the future.

- **Personnel Recruitment and Selection**

To achieve maximum efficiency in personnel recruitment and selection process, the Company has applied the Competency system into its interviews to ensure that the person with the right qualifications in terms of knowledge, skills, abilities and other relevant characters is being hired. And in response to the increasingly complex and competitive business world, the Company then assists its hiring process by employing Build, Buy and Borrow strategies to open doors for more options and subsequently diversify their personnel pools within the organization, encouraging knowledge exchange and collaboration for organizational innovations.

- **Personnel Development**

The Company commits to continuously improve its personnel performance capacities in both hard side and soft side; for the hard side, the Company joins hands with SCG Chemicals Co., Ltd. to launch Operation Excellence Training Center (OETC) as an operation-oriented training center, and its main audience is all employees in the production line, providing them necessary training both theoretical and practical aspects with more emphasis on hands-on experience. As such, the center also contains the Company's numerous petrochemical business-related learning materials that simulate different scenarios designed based on actual situations in the Control Room with genuine factory tools and equipments that allow the learners to have hands-on learning opportunities on their respective machinery. The OETC also provides qualified instructors with working experience more than 10 years in manufacturing process from various companies to teach and give key techniques for actual work to ensure that the learners fully understand and are ready for the job on sites immediately after graduation.

For the soft side, the Company realizes the importance of sustainable working culture and process, therefore, the Committee of Cultural Transformation (CT), which is under Integrated Business Excellence (IBE) system, has been established. The objective of the Committee is to promote working culture conducive to further development. It focuses on encouraging supervisors to give feedback to and coach their subordinate personnel in a more concrete manner, and the use of visual board for communication and task prioritizing to prevent any task from being overlapped.

Furthermore, the whole learning process has been developed via Learning Management System (LMS) to ensure that the personnel fully received necessary knowledge and skills according to 70:20:10 concepts (70 being learning on-the-job, 20 being learning from coaching and 10 being classroom lecture), and the learning materials are easily, conveniently and quickly accessible, inducing learning atmosphere within the organization and heading towards being Learning Organization in the future.

- **Personnel Retention**

The Company believes in and recognizes values in its employee; therefore, it has personnel retention policies appropriate in all aspects such as compensation and benefits, career growth, safe working environment and better quality of life. The Company focuses on bettering its working culture (Cultural Transformation) by analyzing working life of employees to identify any obstacle that hinders them from being happy and proposing a project with a solution or improvement accordingly. Also, the Company surveys its employees for their satisfaction annually in order to improve the relevant aspects for the better, which, as a result, will lead to admiration and loyalty towards the organization (Employee Engagement).

Apart from this, the Company also conducts comparative studies in the aforementioned factors with external organizations to ensure that the perks provided by the Company are

comparable with other leading companies in the same industry. In addition, the Company also consistently holds various leisure activities such as teamwork activities, Family Day and so on to promote teamwork and relationships among the personnel under the notion that all employees are parts of the same family.

Moreover, the Company continues to develop and care for its employee while still develops the operating systems to increase its capacity. The Company fosters Open & Challenge culture and incorporates SCG 4 core values as guidelines which entail as follows: Adherence to fairness, Dedication to excellence, Belief in the value of the individual and Concern for social responsibility.

Business Practice under the Principles of Sustainable Development

The Company is committed to becoming an Eco Factory, which is “an industrial factory that is committed to conducting its practice in an environmentally-friendly manner for sustainable development, focusing on consistent and sustainable development, improvements in manufacturing process, and management of environment with responsibilities towards both external society and internal organizational circle all the way up to the entire supply chain” according to sustainable development policies which aim to increase Eco Efficiency, add value to the products, reduce environmental burdens and promote positive societal results (outcome impact) by collaborating with the community enterprises. In the year 2015, the Company has completed the following:

Environmental Management

The Company has installed a new, highly efficient incinerator capable of completely eliminating both gas and liquid waste, reducing the amount of liquid waste for external treatment. Furthermore, this new incinerator is equipped with a state-of-the-art nitrogen oxide gas removal unit (DeNOx) to reduce the NOx emission from combustion processes using Selective Catalytic Reduction (SCR) and also a device to constantly measure NOx removal rate.

Energy Management

The Company embarks on numerous energy conservation projects regularly, and aims to decrease the rate of energy consumption each year. In the year 2015, the Company managed to cut down its energy consumption from various energy saving projects such as recycling the remaining heat at EDC Cracking Unit which is an improvement from the former system; previously, natural gas was used to heat up EDC before loading into the system, it now has shifted to a heat exchanging system (Transfer Line Exchanger), as a result, 99,000 gigajoules are saved each year.

Occupational Health and Safety Management

The Company has been running its operations according to Process Safety Management (PSM), with DuPont, a world leading company in safety, serving as a consultant throughout the past few years. As such, the Company can raise its safety standards to be on par with those of the world's leading companies. In 2015, there was a major turnaround maintenance along with updates of the machinery to debottleneck the production capacity. The amount of work, number of personnel, and working hours were increased 5 times comparing to normal maintenance shutdowns, resulting in an increased risk of accident. Therefore, the Company has integrated the PSM system into the existing Turnaround Management under the objective - Incident Free Turnaround & Debottlenecking - allowing monitoring and preparation for safety, operation and pre-startup of machinery, and report summarization for review and distribution among relevant parties, during which, there were improvements and additional activities such as statistical analyses of incidents which occurred in the past, and these results were used to construct an Incident Map for each area, performing Job Package and Super Power JSA to analyze the risks of a particular task and to communicate onsite, and KPIs Visual Board to display safety performance results. From the aforementioned endeavors, it was found that the Injury Frequency Rate was 96% lower. In addition, both employees and business partners realized the importance of safety so much so that they operated the machinery safely, free of accident or negative impacts to both the environment and local communities.

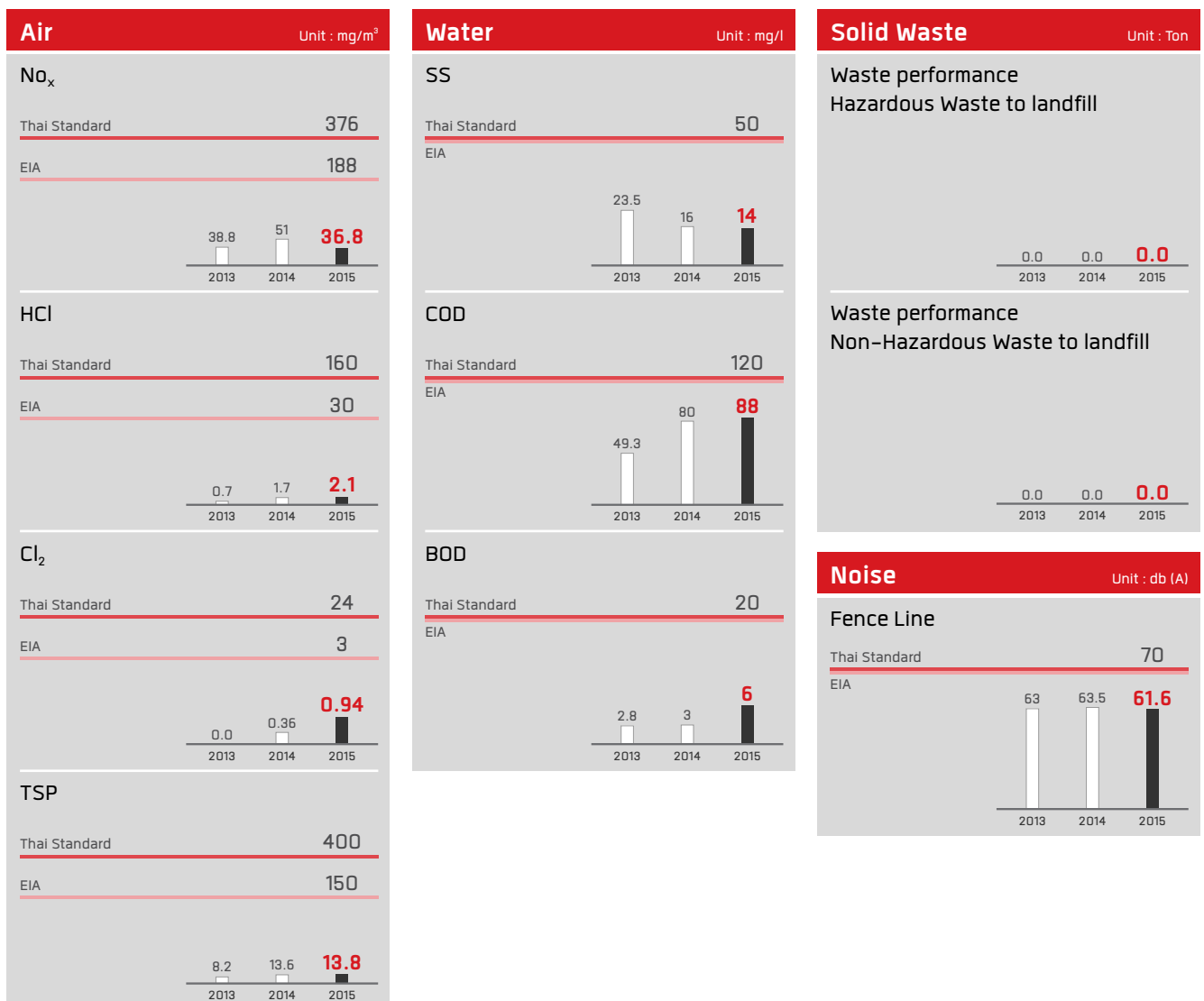
Social Development

The Company has launched many different projects and activities aiming to introduce more income streams to local communities; by promoting the hiring of locals and encouraging its personnel to move their house registration to Rayong province. Presently, the employment rate of Rayong residents is over 50% of the entire personnel. As for local enterprise support, the Company has employed car rental service, community catering service, sales of community goods and products through the community market. Moreover, the Company also supports local banana processing enterprise project in the Map Chalut community, by

encouraging banana plantation and banana chips processing as well as collaborations to develop product packaging and labels under the brand “Tui Nui” which has been consistently developed until now. Currently, the products are now available in the market and popular in the Map Ta Phut region.

Such environmental and social implementations led the Company to be certified by the Industrial Environment Institute, the Federation of Thai Industries as an Eco Factory for the year 2015, serving as a symbol of our commitment to business practices which are environmentally-friendly and focused on sustainable development.

Environmental Quality Statistics from the Production Process



6. Other Information

6.1 General Information Concerning Recipients of Corporate Investment Subsidiaries

As of December 31, 2015, there were 11 subsidiaries in which the Company held, directly or indirectly, at least 50% of all shares issued by that company. They may be classified by type of business as follows:

PVC BUSINESSES

1. TPC Paste Resin Co., Ltd.

Type of Business	Manufacturer and distributor of PVC paste resin
Head Office Location	Bangkok, Thailand
Telephone:	+66 2827 7272
Fax:	+66 2827 7273
Registered Capital	333,000,000 Baht
Type of Shares	Common shares
Percentage of Shares	100%

2. TPC Vina Plastic and Chemical Corp. Ltd.

Type of Business	Manufacturer and distributor of PVC resin
Head Office Location	Ho Chi Minh City, Vietnam
Telephone:	+84 8 3823 4730
Fax:	+84 8 3823 4725
Registered Capital	35,000,000 USD
Percentage of Shares	70%

3. Viet-Thai Plastchem Co., Ltd.

Type of Business	Manufacturer and distributor of PVC compound
Head Office Location	Binh Duong, Vietnam
Telephone:	+84 650 710 993
Fax:	+84 650 740 065
Registered Capital	3,500,000 USD
Percentage of Shares	72.49%

PVC RELATED BUSINESSES

4. Nawaplastic Industries (Saraburi) Co., Ltd.

Type of Business	Manufacturer and distributor of PVC pipe and fittings
Head Office Location	Bangkok, Thailand
Telephone:	+66 2555 0888
Fax:	+66 2586 2929
Registered Capital	400,000,000 Baht
Type of Shares	Common shares
Percentage of Shares	100%

5. Nawaplastic Industries Co., Ltd.

Type of Business	Manufacturer and distributor of finished PVC products
Head Office Location	Bangkok, Thailand
Telephone:	+66 2555 0333
Fax:	+66 2586 2929
Registered Capital	426,000,000 Baht
Type of Shares	Common shares
Percentage of Shares	100%

6. Nawaplastic (Cambodia) Co., Ltd.

Type of Business	Manufacturer and distributor of PVC pipe and fittings
Head Office Location	Phnom Penh, Cambodia
Telephone:	+85 5 2388 2072
Fax:	+85 5 2388 5172
Registered Capital	5,000,000 USD
Percentage of Shares	60%

7. Minh Thai House Component Co., Ltd.

Type of Business	Manufacturer and distributor of finished PVC products
Head Office Location	Ho Chi Minh City, Vietnam
Telephone:	+84 8 3868 5239-40
Fax:	+84 8 3868 5241
Registered Capital	1,000,000 USD
Percentage of Shares	80%

8. Siam Stabilizers and Chemicals Co., Ltd.

Type of Business	Manufacturer and distributor of PVC stabilizers
Head Office Location	Bangkok, Thailand
Telephone:	+66 2827 7319-26
Fax:	+66 2827 7316
Registered Capital	190,000,000 Baht
Type of Shares	Common shares
Percentage of Shares	60%

OTHERS

9. Total Plant Service Co., Ltd.

Type of Business	Investment
Head Office Location	Bangkok, Thailand
Telephone:	+66 2827 7272
Fax:	+66 2827 7273
Registered Capital	1,180,000,000 Baht
Type of Shares	Common shares
Percentage of Shares	100%

10. Nawa Intertech Co., Ltd.

Type of Business	Manufacturer and distributor of molds
Head Office Location	Rayong, Thailand
Telephone:	+66 3889 2190
Fax:	+66 3889 2200
Registered Capital	40,000,000 Baht
Type of Shares	Common shares
Percentage of Shares	100%

11. Chemtech Co., Ltd.

Type of Business	Manufacturer and distributor of XLPE compound
Head Office Location	Binh Duong, Vietnam
Telephone:	+84 650 784 992
Fax:	+84 650 784 993
Registered Capital	2,807,000 USD
Percentage of Shares	100%

Associated Companies

As of December 31, 2015, there were 9 associated companies in which the Company held, directly or indirectly, at least 20% but less than 50% of all shares issued by that company. They may be classified by type of business as follows:

PVC BUSINESSES

1. PT. TPC Indo Plastic and Chemicals

Type of Business Manufacturer and distributor of PVC resin
Head Office Location Gresik, Indonesia
Telephone: +62 31 395 2945-48
Fax: +62 31 395 2944, 49
Registered Capital 34,500,000 USD
Percentage of Shares 40%

2. Riken (Thailand) Co., Ltd.

Type of Business Manufacturer and distributor of PVC compound
Head Office Location Pathumthani, Thailand
Telephone: +66 2501 1054
Fax: +66 2501 1198-9
Registered Capital 120,000,000 Baht
Type of Shares Common shares
Percentage of Shares 35%

3. SIAM TPC Co., Ltd.

Type of Business Investment
Head Office Location Bangkok, Thailand
Telephone: +66 2827 7272
Registered Capital 1,196,000,000 Baht
Type of Shares Common shares
Percentage of Shares 40%

4. SIAM TPC (SINGAPORE) PTE LTD

Type of Business Investment
Head Office Location Singapore
Registered Capital 17,435,825 SGD
 21,750,000 USD
Type of Shares Common shares
Percentage of Shares 40%

5. SCG Plastics (China) Co., Ltd.

Type of Business Trading agent
Head Office Location Guangzhou, China
Telephone: +86 20 3801 1376
Fax: +86 20 3801 1370
Registered Capital 100,000 USD
Percentage of Shares 20%

PVC RELATED BUSINESSES

6. Interplastic Co., Ltd.

Type of Business Manufacturer and distributor of PVC pipe and fittings
Head Office Location Sawannaket, Laos
Telephone: +85 620 554 1500
Registered Capital 9,000,000 Baht
Percentage of Shares 25%

7. Tien Phong Plastic Joint Stock Company

Type of Business Manufacturer and distributor of PVC pipe and fittings
Head Office Location Hai Phong, Vietnam
Telephone: +84 31 3640758, 3640973, 3847022, 3640844
Fax: +84 31 3847755, 3640133
Percentage of Shares 23.84%

8. Binh Minh Plastic Joint Stocks Company

Type of Business Manufacturer and distributor of PVC pipe and fittings
Head Office Location Ho Chi Minh City, Vietnam
Telephone: +84 8 39690973
Fax: +84 8 39606814
Percentage of Shares 20.40%

9. Nawacam Co., Ltd.

Type of Business Manufacturer and distributor of PVC pipe and fittings
Head Office Location Phnom Penh, Cambodia
Telephone: +85 5 2388 2072
Fax: +85 5 2388 5172
Registered Capital 200,000 USD
Percentage of Shares 40%

6.2 Awards and Standards of Accreditation

1991

- **Award for Outstanding Factories in the Map Ta Phut Industrial Estate** from the Industrial Estate Authority of Thailand

1995

- **ISO 9001 Certification for Quality Management Systems** for Samut Prakarn plant*

*(*In 1994, this was an accreditation for DIN ISO 9002 Quality Management Systems. TPC was the first petrochemical company in Thailand to receive this certification.)*

1997

- **ISO 9001 Certification for Quality Management Systems** for Rayong plant (renewed every three years thereafter, up until the present)

1999

- **TISI – ISO 14001 Certification for Environmental Management Systems** for Rayong plant (renewed every three years thereafter, up until the present)

2000

- **The World's 300 Best Small Companies** from Forbes Global magazine

2001

- **The Best Employers in Asia 2001** from Hewitt Associates, together with The Asian Wall Street Journal and the Far Eastern Economic Review
- **TISI 18001 Certification for Occupational Health and Safety Management Systems** for Rayong plant (renewed every three years thereafter, up until the present)

2003

- **ISO 9001 Certification for Quality Management Systems** for Samut Prakarn plant (renewed every three years thereafter, up until the present)

2005

- **Asia's 200 Best Under A Billion Companies** from Forbes Asia magazine
- **The Best Company of the Year 2005** from Finance and Banking magazine

2006

- **TISI – ISO/IEC 17025 Certification of Laboratory Accreditation**

2007

- **Outstanding Award for Safety, Occupational Health, and Working Environment at the National Level** from the Ministry of Labor (and have been receiving every year, up until the present)

2008

- **Award for Total Productive Maintenance (TPM) Excellence, Category A for year 2008 for Rayong Plant** from the Japan Institute of Plant Maintenance (JIPM), the Company is the first PVC manufacturer in ASEAN to receive this award
- **Award for Standard of Corporate Social Responsibility** from the Ministry of Industry
- **Award for Good Governance in Environmental Management** from the Industrial Estate Authority of Thailand (and have been receiving every year, up until the present)

2009

- **Certificate of Good Corporate Governance in Sustainable Support and Responsibility for the Community** from the Royal 80th Anniversary Centre for Community Enterprise Development Studies, Municipal Region of Map Ta Phut and Sub-district of Ban Chang, Rayong

2010

- Award for National Innovation – Economic Sector, 3rd title for “Plastic Compound for Safety Power Cable” from the National Innovation Agency (Public Organization)
- Award for Excellence in Consistent Total Productive Maintenance (TPM) Commitment, year 2010 for Rayong plant from the Japan Institute of Plant Maintenance (JIPM), Japan

2011

- CSR – DIW Continuous Award from the Ministry of Industry
- Award of Carbon Reduction Label from the Thai Environment Institute
- Award for Total Productive Maintenance (TPM) Excellence, Category A year 2011 for Samut Prakarn plant from the Japan Institute of Plant Maintenance (JIPM), Japan

2012

- Certification for Green Industry: Green System ISO 14001 for Rayong plant from the Ministry of Industry
- Award for Outstanding Invention in Chemical and Pharmaceutical Science on “Plastic Compound XLPE for Power Cable and associated artifacts” from the National Research Council
- Certification for Energy Management Systems (ISO 50001:2011) for Rayong plant from Management System Certification Institute (Thailand) MASCI (and have been evaluated every year, up until the present)

2013

Thai Plastic and Chemicals Public Company Limited

- Special Award for Total Productive Maintenance (TPM) Achievement of 2013 for Rayong plant from the Japan Institute of Plant Maintenance (JIPM), Japan
- The Best Company of the Year in the category of industrial products, from the Finance and Banking magazine
- OHSAS 18001:2007 Certification for Security Management System for Rayong plant from TUV Nord (renewed every year thereafter, up until the present)

Nawaplastic Industry (Saraburi) Co., Ltd. and Nawaplastic Industry Co., Ltd.

- Top Performance Award 2013 from the Technology Promotion Association (Thailand-Japan)
- Gold Award for Zero Accident (12 million hours) and Outstanding Award for Safety, Occupational Health and Environment from the Ministry of Labor (and have been receiving it every year, up until the present)
- ISO 50001 Certification for Energy Management Standard from SGS (and have been evaluated every year, up until the present)

2014

Thai Plastic and Chemicals Public Company Limited

- Outstanding Award for Safety, Occupational Health and Environment for Samut Prakarn plant from the Ministry of Labor

Nawaplastic Industry (Saraburi) Co., Ltd. and Nawaplastic Industry Co., Ltd.

- Green Industry level 4 and Corporate Social Responsibility - Department of Industrial Works for sustainable harmony between factories and communities (CSR DIW) from the Ministry of Industry (and have been receiving every year, up until the present)

2015

Thai Plastic and Chemicals Public Company Limited

- Certification for Eco Factory from the Industrial Environment Institute, the Federation of Thai Industries

TPC Paste Resin Co., Ltd.

- Certification for Green Building Council of Australia, PVC Best Practice Guidelines from BSI

Nawaplastic Industry (Saraburi) Co., Ltd. and Nawaplastic Industry Co., Ltd.

- Award for Outstanding Factories: Energy Management from Department of Industrial Works
- Certification for Eco Factory from the Industrial Environment Institute, the Federation of Thai Industries

7. Securities and Shareholders

7.1 The Company's Securities

- Registered Capital: 875,000,000 baht
- Issued and fully paid share capital: 875,000,000 Baht, comprising 875,000,000 ordinary shares.
- Ordinary shares at 1 Baht par value.
- The Company **does not** issue other types of shares, except from ordinary shares.

7.2 Shareholders

1) First 10 major shareholders as of December 30, 2015

Number	Shareholder	No. of shares	% of Shares
1	The Siam Cement Public Company Limited	399,392,220	45.65
2	SCG Chemicals Co., Ltd.*	396,812,374	45.35
3	Social Security Office	14,602,100	1.67
4	AIA COMPANY LIMITED - APEX	11,348,500	1.30
5	AIA COMPANY LIMITED - AIA D-PLUS	5,200,000	0.59
6	AIA COMPANY LIMITED - TIGER	5,139,900	0.59
7	Charoon Euarchukiati Foundation	3,007,750	0.34
8	BANK JULIUS BAER & CO. LTD, SINGAPORE	1,684,000	0.19
9	Vibhavudhi Co., Ltd.	1,452,500	0.17
10	Mr. Somchai Wongsak	1,304,000	0.15

Remark: * SCG Chemicals Co., Ltd. is a subsidiary whose shares are 100% held by The Siam Cement Public Company Limited.

2) The majority of shareholders are a group whose movement has a marked influence on the establishment of corporate policy and strategy. (As of December 30, 2015)

Number	Shareholder	No. of shares	% of Shares
1	The Siam Cement Public Company Limited	399,392,220	45.65
2	SCG Chemicals Co., Ltd.	396,812,374	45.35

- Among major shareholders, the Company **does not** have any shareholding agreement, which might affect its management.

- Even if the mentioned majority of shareholders are a group whose movement has a marked influence on the establishment of corporate policy and strategy, the Company operates its business under the good corporate governance and realizes its responsibility in protecting the interests of all shareholders with respect to their rights and encourage them to receive fair and equal treatments.

3) Minor Shareholders (As of February 12, 2015)

The Company had 2,345 minority shareholders holding 9.26% of the paid-up capital which did not meet the free-float requirements of SET. However, the Company is currently in the process of discussing with every Strategic Shareholders requesting each of them to reduce its shareholding and distribute some of its shares in the Company to other minority shareholders so that all minority shareholders will hold not less than 15% of the paid-up capital of the Company.

4) The Company has imposed limitations on the number of shares which can be held by the foreigners at 49% of fully paid-up capital. As of December 30, 2015, the Company declared that 2.69% of fully paid-up capital shares are held by the foreigners.

7.3 Other securities issued

None

7.4 Dividend Policy of the Company and its Subsidiaries

The Company has a dividend payout policy to shareholders at 50% - 60% of the consolidated net profit after deducting annual income tax and the legal reserve. Changes may occur due to operating results, financial position, investment plan and the general economic situation. In 2015, the consolidated net profit amounted to 2,261 Million Baht, resulting in the retained earnings for appropriation at the ordinary general meeting of shareholders on March 29, 2016. The Board resolved to declare the annual dividends for the year 2015 at 1.55 Baht per share or equal to 60% of consolidated net profit.

For dividend policy of subsidiaries, the subsidiaries take into consideration their operating results, investment plan, financial structure and position and liquidity, with no policy of transferring the interests.

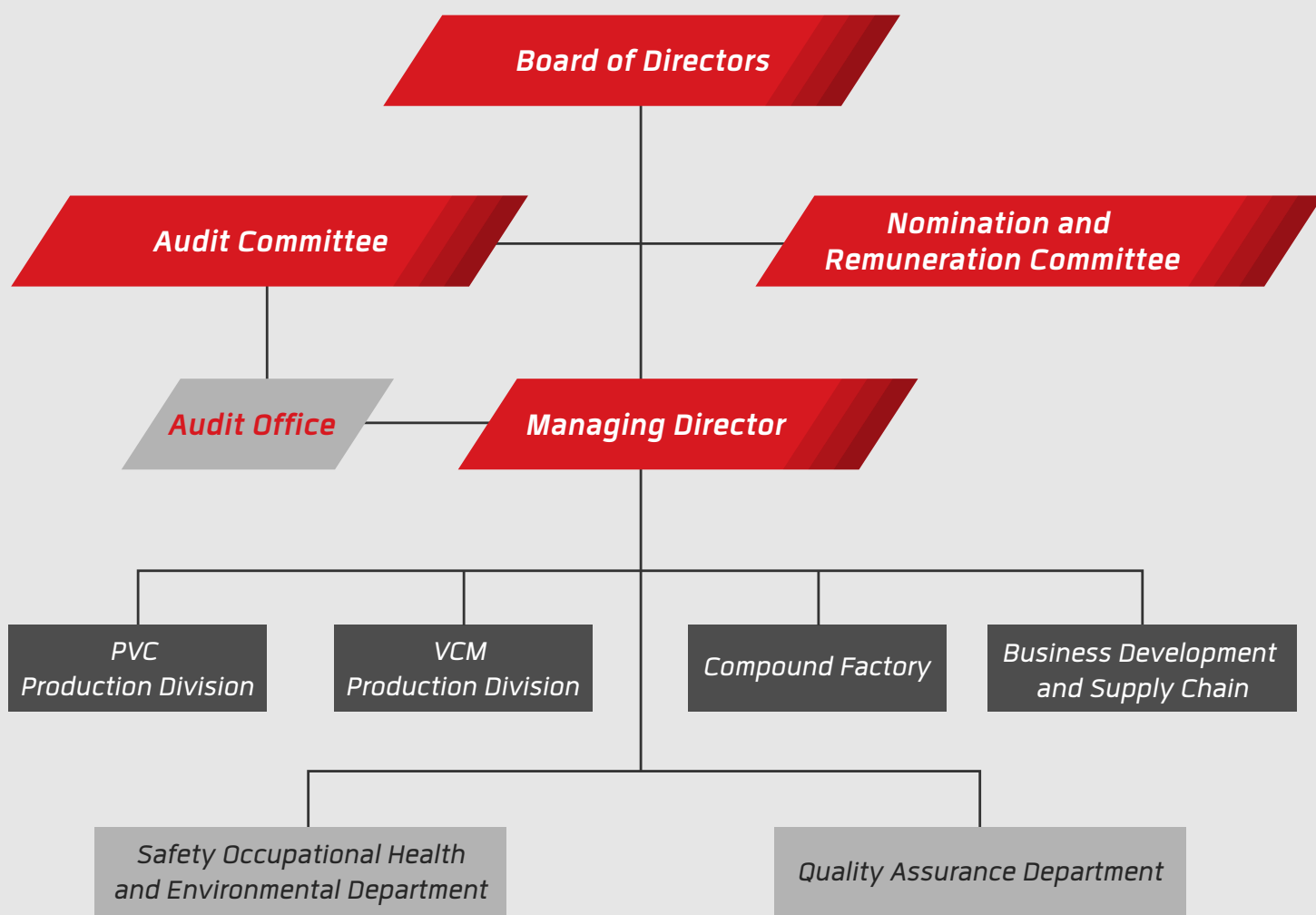
Detail of Dividend Distribution in the past 5 years

Year	Interim dividends (Baht/Share)	Final dividends (Baht/Share)	Annual dividends (Baht/Share)	Dividends payout ratio on net profit (%)
2011	0.70	0.70	1.40	65
2012	0.75	1.50	2.25	59
2013	0.60	1.20	1.80	60
2014	0.15	0.35	0.50	52
2015	0.40	1.15*	1.55	60

Remark: The Board of Directors resolved to propose the annual general meeting of shareholders on March 29, 2016 to approve the final dividend distribution at 1.15 Baht per share.

8. Management Structure

Organizational Structure



Remark: This management structure does not reflect the level of importance or compensation of the people in the positions.

8.1 The Board of Directors

The Board of Directors of the Company consists of 9 persons as follows:

Number	Name – Surname		Position
1	Mr. Cholanat	Yanaranop	Chairman
2	Mr. Dhep	Vongvanich	Director and Chairman of Nomination and Remuneration Committee
3	Mr. Prawit	Ninsuvannakul	Independent Director and Chairman of Audit Committee
4	Mr. Chaovalit	Ekabut*	Director
5	Mr. Somchai	Kongsala	Independent Director, Member of Audit Committee and Nomination and Remuneration Committee
6	Mr. Somchai	Wangwattanapanich	Director and Member of Nomination and Remuneration Committee
7	Mr. Apiporn	Pasawat	Independent Director and Member of Audit Committee
8	Mr. Aviruth	Wongbuddhapitak	Director
9	Mr. Suchai	Asvathavornvanit	Director and Managing Director

Remark: * Mr. Chaovalit Ekabut was appointed during the meeting of the Board of Directors on 23 July 2015 to be a director instead of Mr. Roongrote Rangsiyopash.

The Composition of the Board of Directors

The Board of Directors consists of people with knowledge, skills, and experiences in related businesses and industries. They understand the situations and factors that have implications on the business operations, play an important role in freely establishing together with executives, the Company's policies, including financial policy, risk management, and management of the overall corporate image, short and long-term operation plans, audits, checks, and assess the Company's operations and executive operation result as planned.

Every Director has the authority to sign on behalf of the Company under the condition that two directors sign together and affix the seal of the Company when signing for or on behalf of the Company.

Eight Directors are without administrative authority.

One Director is with administrative authority, that being the Managing Director.

Three Independent Directors, which are Mr. Prawit Ninsuvannakul, Mr. Somchai Kongsala, and Mr. Apiporn Pasawat have all the characteristics required based on the directive of the Capital Market Commission.

Table of Positions in Sub-Committee

Number	Directors		Audit Committee (3 persons)	Nomination and Remuneration Committee (3 persons)
1	Mr. Cholanat	Yanaranop	-	-
2	Mr. Dhep	Vongvanich	-	Chairman
3	Mr. Prawit	Ninsuvannakul*	Chairman	-
4	Mr. Chaovalit	Ekabut	-	-
5	Mr. Somchai	Kongsala*	Director	Director
6	Mr. Somchai	Wangwattanapanich	-	Director
7	Mr. Apiporn	Pasawat	Director	-
8	Mr. Aviruth	Wongbuddhapitak*	-	-
9	Mr. Suchai	Asvathavornvanit	-	-

Remark: * Independent Director

Meeting of the Board of Directors

The Board has to regularly participate in the meeting of the Board of Directors to acknowledge and collectively make a decision on matters pertaining to the Company's business operations. The meetings are held at least six times per year with an advanced meeting schedule set and disseminated to each Director at the beginning of the year, to provide them ample time to arrange for their participation. Also, there may be special meetings to consider urgent matters.

In the meeting, Chairman and Managing Director together specify the meeting agenda and consider the matters in the agenda for the Board's meeting. Each Director can suggest the matter for consideration to include in the agenda.

In 2015, there were a total of seven meetings: six were scheduled in advanced and one was a special meeting with 93% of the board of directors attending. The majority of directors attended more than 85% of the total number of meeting. Directors who could not attend the Meeting informed chairman and secretary of the Board beforehand. During each meeting, meeting agenda documents were sent to each Director seven days prior to the meeting date in order to allocate enough time for the Directors to study the matters.

For each consideration, the Chairman, who also acts as the meeting's Chairman, has to allocate enough meeting time to allow the Directors to express their opinions independently. Resolutions are passed by a majority vote, wherein one director is eligible for one vote. A director with a vested interest in the issue under consideration shall be excused and/or abstain from voting. In case of a tie, the Chairman of the meeting is entitled to one additional vote to be cast.

In the Board's meeting, the Company's management participates in the meeting to provide useful information and to directly acknowledge the policy for effective implementation, except in some agendas where the meeting is limited to only the Board or Directors without administrative authority with regards to having freedom in decision-making.

Moreover, the Board of Directors pays attention to managing any conflicts of interest of the related parties carefully, fairly and transparently, as well as revealing the details thereof. A director with a vested interest in the issue under consideration shall be excused from voting.

At the end of the meeting, the Company secretary's duties are to prepare the minutes of the shareholders meeting and the Board of Director meeting, propose the meeting to adopt the minutes in the first agenda of the following meeting of the Board, propose the Chairman of the Board of Directors for signature, and follow up if the resolutions of the Meeting are well implemented. Directors may make comments, corrections to ensure maximum accuracy and completeness. Approved minutes will be systematically kept as the Company's confidential document at the secretary office and in electronic form together with attached documents for each meeting, so that they can be easily located and archived.

The Company hold a meeting of Directors without administrative authority in the absence of the Management at least 1 time annually, to consider the Succession Plan and Directors' performance. In addition, if deemed necessary, a meeting in the absence of the Managing Directors and the Managements might be held to discuss the notable management problems, for the Company's benefits, and to allow them to express their opinions independently.

Attendance at Meetings of the Directors in 2015

(Unit: number of time)

Number	Directors		Directors	Audit Committee	Remuneration Committee	2015 Annual General Meeting of Shareholders
			(9 persons) Total 7 times per year	(3 persons) Total 6 times per year	(3 persons) Total 4 times per year	(9 persons) on 24 March 2015
1	Mr. Cholanat	Yanaranop	7/7			1
2	Mr. Dhep	Vongvanich	7/7		4/4	1
3	Mr. Prawit	Ninsuvannakul	7/7	6/6		1
4	Mr. Roongrote	Rangsiyopash*	3/4			1
5	Mr. Somchai	Kongsala	7/7	6/6	4/4	1
6	Mr. Apiporn	Pasawat	6/7			1
7	Mr. Aviruth	Wongbuddhapitak	5/7	6/6		1
8	Mr. Suchai	Asvathavornvanit	7/7			1
9	Mr. Somchai	Wangwattanapanich	7/7		4/4	1
10	Mr. Chaovalit	Ekabut**	3/3			

Remark: * Mr. Roongrote Rangsiyopash resigned, effective on 16 July 2015.

** Mr. Chaovalit Ekabut was appointed during the meeting of the Board of Directors on 23 July 2015 as a director instead of Mr. Roongrote Rangsiyopash.

Biographies of Director

Mr. Cholanat Yanaranop

Age 57 Years

Position

Chairman

Date of First Election as Director

28 October 2005

Education/Training

Master's Degree, Chemical Engineering,
Imperial College, London, UK

Bachelor's Degree, Environmental Chemical Engineering
(Second Class Honors), Salford University, Manchester, UK

Advanced Management Program (AMP),
Harvard Business School, USA

Director Training

Director Accreditation Program (DAP) 39/2005,
Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Since 2011 Commissioner, PT Chandra Asri
Petrochemical Tbk, Indonesia

Since 2014 Senior Vice President, The Siam Cement
Public Company Limited

Other Present Positions in Other Companies/ Businesses/Organizations

Being Chairman and Director of the major shareholders'
(SCG) subsidiaries, associates and other companies which
are non-listed as assigned.

Since 2006 Director, Petroleum Institute of Thailand

Since 2009 Advisor of the Thai Institute of Chemical
Engineering and Applied Chemistry

Five-Year Past Working Experience and/or Important Positions

2005-2010 Director, PTT Chemical Public Company Limited

2007-2008 President, the Thai Institute of Chemical
Engineers and Applied Chemistry

2013-2015 President, Community Partnership Association

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Dhep Vongvanich

Age 69 Years

Position

Director and Chairman of the Nomination and
Remuneration Committee

Date of First Election as Director

18 April 1996

Education/Training

Bachelor's Degree, Civil Engineering, Chulalongkorn University

Executive Development Program, International
Management Development (IMD), Switzerland

International Senior Management Program (ISMP),
Harvard Business School, USA

Director Training

None

Director/Executive Position in Listed Companies

Since 2008 Director, Crown Seal Public Company Limited

Other Present Positions in Other Companies/ Businesses/Organizations

Since 2006 Advisor to the President & CEO,
The Siam Cement Public Company Limited

Five-Year Past Working Experience and/or Important Positions

1986-1994 Managing Director, Siam Sanitaryware Co., Ltd.

1995-1996 Managing Director, Siam Fiber Tile Co., Ltd.

1996-1998 General Manager, Thai Plastic and
Chemicals Public Company Limited

1998-2005 Managing Director, Thai Plastic and
Chemicals Public Company Limited

1998-2005 Director, National Petrochemical Public
Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Prawit Ninsuvannakul

Age 72 Years

Position

Independent Director and Chairman of the Audit Committee

Date of First Election as Director

9 December 1999

Education/Training

Ph.D., Accounting, Ph.D. University of Illinois at Urbana-Champaign, USA

Master's Degree of Accounting Science, University of Illinois at Urbana-Champaign, USA

Bachelor's Degree in Business Administration (B.B.A.), Accounting, Chulalongkorn University

Certified Public Accountant (C.P.A)

Director Training

Role of the Chairman 2000 Program (RCP) 1/2000, Thai Institute of Directors Association

Director Accreditation Program (DAP) 6/2003, Thai Institute of Directors Association

Director Certification Program (DCP) 42/2004, Thai Institute of Directors Association

Audit Committee Program (ACP) 6/2005, Thai Institute of Directors Association

Chartered Director Class 3/2008, Thai Institute of Directors Association

Director Forum 2/2008, Thai Institute of Directors Association

Audit Committee: Getting Up to Speed, Thai Institute of Directors Association

Current Issue Seminar 4/2008 Getting Ahead of the Curve: Understanding the Implications, Thai Institute of Directors Association

Work Shop 2/2009 Developing and Implementing A Code of Ethics, Thai Institute of Directors Association

Director Forum 3/2010 CSR Index and Corporate Governance Development of Thai Listed Companies, Thai Institute of Directors Association

Role of the Nomination and Governance Committee (RNG) 3/2012

Director/Executive Position in Listed Companies

Since 2009 Director, Independent Director, and Chairman of the Audit Committee, Nontavet Hospital Public Company Limited

Other Present Positions in Other Companies/Businesses/Organizations

Since 1980 Chairman, Ninsuvan Management Consultants Co., Ltd.

Since 1994 Director, Finance and Property Committee, Suranaree University of Technology

Since 1994 Director, Finance and Property Committee, Mae Fah Luang University

Director, Finance and Property Committee, Walailak University

Since 1997 Director, Fund Management Committee, King Prajadhipok's Institute

Since 2000 Chairman, Internal Audit Development for Civil Service, Ministry of Finance

Since 2003 Director, Government Accounting Standards and Policies, The Comptroller General's Department, Ministry of Finance

Since 2005 Honorable Committee Public Sector Audit and Evaluation Committee, The Prime Minister's Office Chairman, Public Sector Audit and Evaluation Sub-Committee (14 Southern Provinces and 4 Southern-Central Provinces), The Prime Minister's Office

Since 2009 Director, The Cultural Promotion Fund, Thailand Ministry of Culture

Audit Committee, Federation of the Accounting Profession

Director, Performance Evaluation of State Enterprise Committee, Ministry of Finance

Five-Year Past Working Experience and/or Important Positions

Dean, Faculty of Business Administration, National Institute of Development Administration (NIDA)

Director of NIDA Consulting Center

Associate Dean, Faculty of Commerce and Accountancy, Chulalongkorn University

Head of Department of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University

Chairman of Accountancy Doctoral Ph.D. Curriculum, Chulalongkorn University

Director and Chairman of the Audit Committee Krung Thai Bank Public Company Limited

Director and Member of the Audit Committee, MCOT Public Company Limited

Director and Member of the Audit Committee, Port Authority of Thailand

Director Petroleum Authority of Thailand

Assistant Professor, Chulalongkorn University

Chairman of the Sub-committee, to set up Professional Ethics for Accountants, Federation of the Accounting Profession

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Chaovalit Ekabut

Age 58 Years

Position

Director

Date of First Election as Director

23 July 2015

Education/Training

Master's Degree in Engineering in Industrial Engineering and Management, Asian Institute of Technology

Bachelors' Degree in Mechanical Engineering, First Class Honors, Chulalongkorn University

Advanced Management Program (AMP)
Harvard Business School, USA

Director Training

Director Accreditation Program (DAP) 27/2004,
Thai Institute of Directors Association

Director Certification Program (DCP) 84/2007,
Thai Institute of Directors Association

Role of the Chairman Program (RCP) 24/2010,
Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Since 2011 Commissioner, PT Chandra Asri
Petrochemical Tbk, Indonesia

Since 2011 Vice President-Finance and Investment,
The Siam Cement Public Company Limited

Other Present Positions in Other Companies/ Businesses/Organizations

Being Chairman and Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Five-Year Past Working Experience and/or Important Positions

2005-2010 President, SCG Paper Public Company Limited

2005-2010 President,
Thai Cane Paper Public Company Limited

2005-2010 President, Thai British Security Printing
Public Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Somchai Kongsala

Age 77 Years

Position

Independent Director, Member of the Audit Committee and the Nomination and Remuneration Committee

Date of First Election as Director

26 April 1994

Education/Training

Doctorate, Automatic Control, University of London, UK

Advanced Management Program (AMP),
Harvard Business School, USA

Director Training

Director Certification Program (DCP) 41/2004,
Thai Institute of Directors Association

Audit Committee Program (ACP) 8/2005,
Thai Institute of Directors Association

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/ Businesses/Organizations

None

Five-Year Past Working Experience and/or Important Positions

1982-1983 President of the Plastic Industry Club,
The Federation of Thai Industries

1984-1998 Director, National Petrochemical Public
Company Limited

1996-1998 Managing Director, Thai Plastic and
Chemicals Public Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Somchai Wangwattanapanich

Age 58 Years

Position

Director and Member of the Nomination and Remuneration Committee

Date of First Election as Director

18 November 2014

Education/Training

Master's Degree in Business Administration, Chulalongkorn University

Bachelor's Degree of Engineering, Mechanical Engineering, Chulalongkorn University

Advanced Management Program (AMP), Harvard Business School, USA

Director Training

Director Accreditation Program (DAP) SCC/2004, Thai Institute of Directors Association

Director Certification Program (DCP) 208/2015, Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Top Executive of The Siam Cement Public Company Limited

Since 2011 Vice President-Operation, SCG Chemicals Co., Ltd.

Other Present Positions in Other Companies/Businesses/Organizations

Being Chairman and Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Since 2012 Vice President, the Federation of Thai Industries

Since 2014 President, the Industrial Environment Institute

Five-Year Past Working Experience and/or Important Positions

2010-2012 Vice President of Petrochemical Industry Group, the Federation of Thai Industries

Director and Member of Executive Board, the Institute of Industrial Water Resource and Supplies

2010-2014 Vice President, the Industrial Environment Institute

2011-2013 Deputy Chairman of Executive Board, the Institute of Industrial Energy

President of Climate Change Committee

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Apiporn Pasawat

Age 67 Years

Position

Independent Director and Member of the Audit Committee

Date of First Election as Director

8 February 1995

Education/Training

Master's Degree, Business Administration, Production Sector, University of Wisconsin, USA

Master's Degree, Chemical Engineering, University of Wisconsin, USA

Bachelor's Degree, Chemical Engineering (Second Class Honors), Chulalongkorn University

Advanced Management Program (AMP), Harvard Business School, USA

Director Training

Director Accreditation Program (DAP) 39/2005, Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Since 2011 Chairman, and Director, Nok Airlines Public Company Limited

Other Present Positions in Other Companies/Businesses/Organizations

Since 1995 Director, Bangkok Synthetics Co., Ltd.

Since 1996 Director, BST Elastomers Co., Ltd.

Since 1999 Director of Administration, Petroleum Institute of Thailand

Since 2007 Chairman of the Executive Committee and Director, Linde (Thailand) Public Company Limited

Since 2008 Advisor, CPB Equity Co., Ltd.

Director, Government Pharmaceutical Organization-Merieux Biological Products Co.,Ltd (GPO-MBP)

Since 2009 Chairman of the Executive Committee and Director, Siam Bioscience Co., Ltd.

Since 2010 Chairman of the Executive Committee and Director, Apexella Co., Ltd.

Since 2011 Advisor, Siam Cement Foundation

Since 2014 President, Apsalagen Co., Ltd.

President, Wuttisak Clinic Inter Group Co., Ltd.

President, Siam Snail Co., Ltd.

Five-Year Past Working Experience and/or Important Positions

1995-2000 Vice President in Petrochemicals, the Siam Cement Public Company Limited

1995-2005 Director, National Petrochemical Public Company Limited

1999-2005 Managing Director, SCG Chemicals Co., Ltd.

2008-2013 Director, and Member of the Audit Committee, PAE (Thailand) Public Company Limited

2009-2013 Director, and Member of the Executive Committee, Thai Airways International Public Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Aviruth Wongbuddhapitak

Age 67 Years

Position

Director

Date of First Election as Director

24 April 2003

Education/Training

Master's Degree, Business Administration,
New York University, USA

Bachelor's Degree, Accounting, Chulalongkorn University

Senior Management Program (SMP),
Harvard Business School, USA

Director Training

Director Certification Program (DCP) 8/2001,
Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Since 2010 Independent Director,
S&P Syndicate Public Company Limited

Other Present Positions in Other Companies/Businesses/ Organizations

Since 1995 Director, Deves Insurance Public Company Limited

Since 2003 Chairman of the Executive Committee,
Deves Insurance Public Company Limited

Director, CPB Equity Co., Ltd.

Director, CPB Property Co, Ltd.

Since 2008 Advisor, The Crown Property Bureau

Since 2009 Director, Siam Bioscience Co., Ltd.

Since 2010 Director, Apexella Co., Ltd.

Since 2012 Director, Siam Sinthorn Co., Ltd.

Five-Year Past Working Experience and/or Important Positions

1980-1990 Managing Director, Thai Ceramic Industry Co., Ltd.

1990-1994 President, TileCera Inc., USA

1995-2003 Vice President,
The Siam Cement Public Company Limited

1998-2002 Director, Linde (Thailand) Public Company Limited

2001-2008 Chairman, IT One Co., Ltd.

2002-2003 Director,
Phoenix Pulp & Paper Public Company Limited

2003-2005 Managing Director, Cementhai Property
(2001) Public Company Limited

2005-2008 Assistant Managing Director,
The Crown Property Bureau

2006-2009 Expert Member, the Government Pension Fund (GPF)

Expert Member, Investment Sub-Committee,
the Government Pension Fund (GPF)

2006-2010 Advisor to the Management Committee,
The Siam Cement Public Company Limited

2006-2015 Chairman of the Audit Committee,
Remuneration Director and Independent
Director, Advance Info Service Public
Company Limited

2007-2008 Director, Thai Airways International Public
Company Limited

2007-2009 Chairman, Thai Marble Corporation

2009-2011 Independent Director TMB Bank Public
Company Limited

2014-2015 Chairman of the Sustainable Development
Committee, Advance Info Service Public
Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Suchai Asvathavornvanit

Age 59 Years

Position

Managing Director

Date of First Election as Director

1 December 2012

Education/Training

Bachelor's Degree of Engineering,
Mechanical Engineering, Chulalongkorn University

Director Training

Director Accreditation Program (DAP) 104/2013,
Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Since 2013 Member of the Board of Management,
Binh Minh Plastic Joint Stock Company, Vietnam

Other Present Positions in Other Companies/Businesses/ Organizations

Being Director of the major shareholders' (SCG) subsidiaries,
associates and other companies which are non-listed as
assigned.

Five-Year Past Working Experience and/or Important Positions

1995-1998 Managing Director, Thai MFC Co., Ltd.

1996-2010 Deputy Managing Director,
Siam Mitsui PTA Co., Ltd.

2003-2010 Deputy Managing Director,
Thai PET Resin Co., Ltd.

2010-2012 Managing Director, Rayong Olefin Co., Ltd.

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Shareholdings of Directors

No.	Directors		Company			Affiliated Companies (The Siam Cement Public Company Limited)					
			Ordinary Shares (shares)			Ordinary Shares (shares)			Debentures (units)		
			As of 1 January 2015	As of 31 December 2015	Increase (Decrease) during the financial year	As of 1 January 2015	As of 31 December 2015	Increase (Decrease) during the financial year	As of 1 January 2015	As of 31 December 2015	Increase (Decrease) during the financial year
1	Mr. Cholanat	Yanaranop	-	-	-	25,500	33,500	8,000	30,000	34,000	4,000
2	Mr. Dhep	Vongvanich	-	-	-	-	-	-	10,000	10,000	-
3	Mr. Prawit	Ninsuvannakul	-	-	-	-	-	-	-	-	-
4	Mr. Chaovalit	Ekabut	-	-	-	20,000	30,000	10,000	-	-	-
5	Mr. Somchai	Kongsala	-	-	-	-	-	-	-	-	-
6	Mr. Somchai	Wangwattanapanich	-	-	-	8,300	4,300	(4,000)	-	-	-
7	Mr. Apiporn	Pasawat	-	-	-	42,000	42,000	-	23,000	20,000	(3,000)
8	Mr. Aviruth	Wongbuddhapitak	-	-	-	-	-	-	3,000	3,000	-
9	Mr. Suchai	Asvathavornvanit	-	-	-	39,000	39,000	-	32,000	32,000	-

Remark:

1. Thai Plastic and Chemicals Public Company Limited has paid registered capital of 875,000,000 baht (Ordinary shares: 875,000,000 shares).
2. According to the Public Limited Companies Act, an "affiliated company" means a public limited company with a relationship to a private company, a public limited company, or companies in the following manner:
 - Any company that has the authority to control the appointment and removal of directors with full management authority or that has majority management authority.
 - Holds more than 50% of issued shares.
3. According to the SEC regulation, the Company's ordinary shares held by directors and executives should include those held by spouses and minor children. Nevertheless, no spouse and minor children of any director hold the Company's ordinary shares.
4. According to Public Limited Companies Act, the ordinary shares and debentures of the Company and its affiliates held personally by directors should be presented.
5. The Siam Cement Public Company Limited debentures are priced at 1,000 baht per unit.
6. Debentures of The Siam Cement Public Company Limited as at 18 December 2015.

8.2 Executives and Corporate Managers in Accounting

The Executive and Corporate Manager in accounting consists of

- | | |
|-----------------------------------|--|
| 1. Mr. Suchai Asvathavornvanit | Managing Director |
| 2. Mr. Somchai Thanomjitvisutti | VCM Production Division Manager |
| 3. Mr. Santi Udomnirat | PVC Production Division Manager |
| 4. Mr. Prakop Jindamaneepon | Compound Plant Manager |
| 5. Ms. Poranee Mekayarajjananonth | Business Development & Supply Chain Division Manager |
| 6. Mrs. Voranun Sodanin | Chief Accounting Officer |

The above list of Executives of the Company are "Executives" according to the Notification of Capital Market Supervisory Board No. TorChor 23/2551 which shall mean managers or the first 4 persons at the

management level directly below the manager, all persons who hold positions equivalent to the fourth person in the management level, including persons in the management level and those in charge of accounting and finance and who hold positions directly above department managers or equivalent.

All six members of executives have no forbidden qualification following:

1. Never dishonestly committed an offence against property.
2. Never entered into any transaction which may cause conflicts of interest against the Company during the year.

The Company's Executives are assigned to work under the policies, strategies and targets set by the Board of Directors. The Board approves the operational authority within the clear scope of duties, which adhere to transparency and proper operational flexibility. Furthermore, the Executives should control the expenses and investment budgets within the scope approved by the Board in the annual plan, adhere to the human resources policy, solve problems or conflicts affecting the organization and maintain effective communication for all related parties.

Biographies of Executives and Corporate Managers in Accounting

Mr. Suchai Asvathavornvanit

Age 59 Years

Position

Managing Director

Date of First Election as Director

1 December 2012

Education/Training

Bachelor's Degree of Engineering,
Mechanical Engineering, Chulalongkorn University

Director Training

Director Accreditation Program (DAP) 104/2013,
Thai Institute of Directors Association

Director/Executive Position in Listed Companies

Since 2013 Member of the Board of Management,
Binh Minh Plastic Joint Stock Company, Vietnam

Other Present Positions in Other Companies/ Businesses/Organizations

Being Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Five-Year Past Working Experience and/or Important Positions

1995-1998	Managing Director, Thai MFC Co., Ltd.
1996-2010	Deputy Managing Director, Siam Mitsui PTA Co., Ltd.
2003-2010	Deputy Managing Director, Thai PET Resin Co., Ltd.
2010-2012	Managing Director, Rayong Olefin Co., Ltd.

Shareholdings

Held personally: None
Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Somchai Thanomjitvisutti

Age 51 Years

Position

VCM Production Division Manager

Education/Training

Bachelor's Degree in Chemical Engineering,
King Mongkut's University of Technology Thonburi

Director Training

None

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/ Businesses/Organizations

None

Five-Year Past Working Experience and/or Important Positions

1999-2010	Production Department Manager, PT. TPC Indo Plastic and Chemicals
2000-2006	Rayong Plant Manager - PVC Resin, Thai Plastic And Chemicals Public Company Limited

2006-2007	Production Department Manager - PVC Line 5 and 6, Thai Plastic and Chemicals Public Company Limited
2007-2008	Production Department Manager - PVC Line 1, Thai Plastic and Chemicals Public Company Limited
2008-2011	PVC Production Division Manager, Thai Plastic And Chemicals Public Company Limited
2011-2012	VCM Production Division Manager, Thai Plastic And Chemicals Public Company Limited
2012-2015	PVC Production Division Manager, Thai Plastic And Chemicals Public Company Limited

Shareholdings

Held personally: 27,000 shares
Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Santi Udomnitirat

Age 54 Years

Position

PVC Production Division Manager

Education/Training

Bachelor's Degree in Chemical Engineering,
Chulalongkorn University

Director Training

None

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/ Organizations

Being Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Five-Year Past Working Experience and/or Important Positions

1999-1999 Production Department Manager - Chlorine and VCM, Thai Plastic And Chemicals Public Company Limited

1999-2007 Plant Manager - VCM, Thai Plastic And Chemicals Public Company Limited

2007-2008 PVC Production Division Manager, Thai Plastic And Chemicals Public Company Limited

2008-2011 VCM Production Division Manager, Thai Plastic And Chemicals Public Company Limited

2011-2012 Managing Director, TPC Vina Plastic and Chemical Corp. Ltd.

2012-2012 Managing Director, TPC Paste Resin Co., Ltd.

2012-2015 VCM Production Division Manager, Thai Plastic And Chemicals Public Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mr. Prakop Jindamaneepon

Age 43 Years

Position

Compound Plant Manager

Education/Training

Bachelor's Degree in Chemical Engineering,
Chulalongkorn University

Director Training

None

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/ Organizations

None

Five-Year Past Working Experience and/or Important Positions

2010-2014 Compound Business Division Manager, TPE Co., Ltd.

2009-2010 Engineer, Compound Business Division, TPE Co., Ltd.

1996-2009 Production Engineer, Grand Siam Composites Co., Ltd.

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mrs. Poranee Mekayarajjananonth

Age 52 Years

Position

Business Development & Supply Chain Division Manager

Education/Training

Master's Degree in Business Administration,
Bangkok University

Bachelor's Degree, Department of Materials Science,
Chulalongkorn University

Director Training

None

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/ Organizations

Being Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Five-Year Past Working Experience and/or Important Positions

1999-2000 Procurement Department Manager, Thai Plastic And Chemicals Public Company Limited

2000-2002 Manager, Business Development Office, Thai Plastic And Chemicals Public Company Limited

2002-2003 Export Sales Department Manager, Thai Plastic And Chemicals Public Company Limited

2003-2006 Domestic Sales Director, Thai Plastic And Chemicals Public Company Limited

2006-2009 Export Sales Division Manager, Thai Plastic And Chemicals Public Company Limited

2009-2012 Supply Chain Division Manager, Thai Plastic and Chemicals Public Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Mrs. Voranun Sodanin

Age 44 Years

Position

Chief Accounting Officer

Education/Training

Bachelor's Degree, Accounting, Thammasat University

Director Training

None

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/Organizations

Being Director of the major shareholders' (SCG) subsidiaries, associates and other companies which are non-listed as assigned.

Five-Year Past Working Experience and/or Important Positions

1994-2001	Manager, Managerial Reporting SCG Chemicals Co., Ltd.
2002-2006	Manager, Managerial Reporting and Consolidation, Corporate Accounting Division, The Siam Cement Public Company Limited
2007-2008	Assistant Manager, Business Analysis and Reporting, Paper Business, SCG Accounting Services Co., Ltd.
2009-2013	Manager, Business Analysis and Reporting, Paper Business, Corporate Accounting Division, The Siam Cement Public Company Limited

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

Shareholdings of Directors

No.	Directors	Company's Ordinary Shares (shares)		
		As of 1 January 2015	As of 31 December 2015	Increase (Decrease) during the financial year
1	Mr. Suchai Asvathavornvanit	-	-	-
2	Mr. Somchai Thanomjitvisutti	27,000	27,000	-
3	Mr. Santi Udomnitirat	-	-	-
4	Mr. Prakop Jindamaneepoon	-	-	-
5	Ms. Poranee Mekayarajjanonth	-	-	-
6	Mrs. Voranun Sodanin	-	-	-

- Remark:**
1. Thai Plastic and Chemicals Public Company Limited has paid registered capital of 875,000,000 baht (Ordinary shares: 875,000,000 shares).
 2. In reference to the Notification of Capital Market Supervisory Board No. TorChor 23/2551 "Executives" shall mean the manager or the next four executives succeeding the manager, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance departments.
 3. According to the SEC regulation, the Company's ordinary shares held by directors and executives should include those held by spouses and minor children. Nevertheless, no spouse and minor children of any director hold the Company's ordinary shares.
 4. The sixth executive is Chief Accounting Officer.

Biographies of Internal Audit Director

Mr. Anuwat Jongyindee

Age 58 Years

Position

Internal Audit Director

Education/Training

Master's Degree, Accounting, Chulalongkorn University

Bachelor's Degree in Science,
Business Administration, Kasetsart University

Director Training

Director Accreditation Program (DAP) 82/2010,
Thai Institute of Directors Association

Director Certification Program (DCP) 135/2010,
Thai Institute of Directors Association

Audit Committee Program (ACP) 31/2010,
Thai Institute of Directors Association

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/ Businesses/Organizations

Since 2008 Vice president and Member of Auditing
Supervision Committee, Association of
Provident Fund

Since 2011 Vice chairman of Accounting System Setting
Committee, Federation of Accounting
Profession of Thailand

Since 2014 Chairman of Risk Management and Internal
Control Club, Thai Listed Companies
Association (TLCA)

Five-Year Past Working Experience and/or Important Positions

2005-2010 Director of Corporate Accounting Division,
The Siam Cement Public Company Limited

2005-2010 Member of Accounting Committee and
President of Accounting Sub-Committee,
Federation Accounting Profession of Thailand

2007-2010 Member of Thai Accounting Standard
Committee, Federation Accounting
Profession of Thailand

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

8.3 The Secretary of the Board and the Company Secretary

The Board of Directors appointed Mrs. Pornpen Namwong to be the Secretary of the Board and the Company Secretary is to perform the following duties:

- Arrange the meeting of the Board, Committee and Shareholders' Meeting; participate in the meeting; prepare the minutes of the Board of Director meeting, Shareholders' Meeting, annual meeting; and keep documents as stipulated by law.
- Advise Directors on what they need to know concerning legal matters, rules and regulations involving Directors' responsibilities and criteria for good international corporate governance.

The Secretary of the Board and the Company Secretary appointed by the Board is the person in possession of proper knowledge and skills for the management of the Company Secretary's work and one who is highly experienced, so as to be able to provide advice to Directors on legal matters, rules and regulations and matters on Company's corporate governance.

Moreover, the Company also encourages the Company Secretary to receive training and to be continuously informed on the latest developments in relevant laws, accountancy or the Company Secretary's operations. The Secretary's profile, qualifications and experiences are revealed in the annual report.

Biographies of Company Secretary

Mrs. Pornpen Namwong

Age 55 Years

Position

Company Secretary

Education/Training

M.S., Japanese Business Studies,
Chaminade University of Honolulu, Hawaii, USA

Bachelor's Degree in Economics (Second Class Honors),
Thammasat University

Seminar on Role and Responsibility of Company Secretary

Company Secretary Program (CSP) 51/2013,
Thai Institute of Directors Association

Anti-Corruption: The Practical Guide (ACPG),
Thai Institute of Directors Association

Board Reporting Program (BRP), 16/2015,
Thai Institute of Directors Association

Director/Executive Position in Listed Companies

None

Other Present Positions in Other Companies/Businesses/Organizations

Being Company Secretary of listed companies under the
major shareholders (SCG) as assigned.

Since 2010 Director of Thai Company Secretary Club

Five-Year Past Working Experience and/or Important Positions

1999-2010 Manager, Legal and Business Affairs,
SCG Chemicals Co., Ltd.

Shareholdings

Held personally: None

Held by spouse or minor children: None

Family relationship among Directors and Executives

None

8.4 Remuneration of Directors and Executives

Remuneration of Directors

Remuneration policy for the Board of Directors and Committee

According to Company regulations No. 29, Directors are entitled to remuneration for performance of their duties. This remuneration includes monthly remuneration, meeting fees, allowance, pensions, an annual bonus or other benefits from the Company. A meeting of shareholders considers the remuneration for the Board.

Nomination and Remuneration Committee proposes the proper rates for the Board of Directors by comparing them with the levels of remuneration in other leading registered companies in SET and those within the same industry, in addition to a consideration of the Company's

operation results. There is also a suggestion in the annually Shareholders' meeting for remuneration for the Board of Directors.

Apart from monetary remuneration, the Company does not provide any other benefits to the Board.

Remuneration of the Board of Directors and Committee

During the 2015 Annual Shareholder Meeting (50th Meeting) held on Tuesday 24 March 2015, there was approval for the monthly remuneration and meeting fees for the Board of Directors and Committee in the year 2015. The bonus which serves as part of the remuneration for the Board, for the operational results of 2014, is 3.4 million baht in total, which should be allocated between directors under their consideration. Details are as follows:

	Position	Monthly Remuneration (Baht/person/month)	Meeting Fee (Baht/person/time)	Bonus (Baht)
The Board of Directors	Chairman	100,000	-	3,400,000
	Director	67,000	-	
Audit Committee	Chairman	10,000	30,000	-
	Director	7,500	20,000	-
Nomination and Remuneration Committee	Chairman	-	30,000	-
	Director	-	20,000	-

Remuneration for the Board of Directors and Committee in 2015

(1 January – 31 December 2015)

(Unit : Baht)

Directors		Monthly Remuneration		Meeting Fee		Annual Bonus	Total
		Directors	Audit Committee	Audit Committee	Nomination and Remuneration Committee		
1	Mr. Cholanat Yanaranop ¹⁾	1,200,000	-	-	-	680,000	1,880,000
2	Mr. Dhep Vongvanich ²⁾	804,000	-	-	120,000	340,000	1,264,000
3	Mr. Prawit Ninsuvannakul ³⁾	804,000	120,000	180,000	-	340,000	1,444,000
4	Mr. Roongrote Rangsiyopash	435,500	-	-	-	340,000	775,500
5	Mr. Somchai Kongsala	804,000	90,000	120,000	80,000	340,000	1,434,000
6	Mr. Somchai Wangwattanapanich	804,000	-	-	80,000	340,000	1,224,000
7	Mr. Apiporn Pasawat	804,000	90,000	120,000	-	340,000	1,354,000
8	Mr. Aviruth Wongbuddhapitak	804,000	-	-	-	340,000	1,144,000
9	Mr. Suchai Asvathavornvanit	804,000	-	-	-	340,000	1,144,000
10	Mr. Chaovalit Ekabut ⁴⁾	354,452	-	-	-	-	354,452
Total		7,617,952	300,000	420,000	280,000	3,400,000	12,017,952 ⁵⁾

- Remark:**
- 1) Chairman
 - 2) Chairman of the Nomination and Remuneration Committee
 - 3) Chairman of the Audit Committee
 - 4) Mr. Chaovalit Ekabut was appointed at the meeting of the Board of Directors on 23 July 2015 as a Director instead of Mr. Roongrote Rangsiyopash.
 - 5) Display the remuneration according to the present position and meeting attendance in 2015.

The Remuneration for Executives

which is done by comparing data for the present year with those of preceding years as follows:

Remuneration policy for Executives

The Board of Directors together with the Nomination and Remuneration Committee assess the operational results of the Managing Director by considering the business operational results of the Company, the Board's policy compliance, and the overall economic and social situations. The Nomination and Remuneration Committee considers the proper short-term and long-term compensation based on given information for the Managing Director, and presents a proposal to the Board

1. The business operation results, based on the percentage of EBITDA on Operating Assets that is set annually as an assessment and criteria for comparison;
2. A comparison of operation results of businesses within the same industry, both nationally and internationally; and
3. Business performance, growth and improvements in operation efficiency for each year

The Remuneration for Executives (as of 31 December 2015)

Six Executives of the Company received a total remuneration of 52,680,400 baht, in the form of salaries, bonuses, variable pay and others. In 2015, the Company contributed 2,861,834 baht to the pension fund for its employees.

8.5 Personnel

Human resource preparation to support future expansion of the business

The Company recognizes and believes in the value of people; it considers its own personnel to be the most valuable organizational asset. Therefore, in order to consistently create and develop competency in the employees, the Company has been regularly updating the human resource management systems to align it with the business strategy. The main strategies for personnel development are as follows:

1. Workforce preparation to support future expansion of the business

The Company will determine strategic workforce planning in the next 3-5 years to enhance capabilities of the key personnel for the future, together with manpower planning that is currently under way.

2. Employee development and enhancement

As a response to rapid changes in business and the increase in employees, the Company recognizes the importance of developing more effective and sustainable organizational knowledge management; therefore, the Company has joined hands with SCG Chemicals and Duke Corporate Education, a corporate consultant, to prepare its workforce in terms of their quantity and their skills by developing learning structures (Learning Architecture) and focusing on devising the structures based on the fields and branches that an individual wishes to learn. This project, Academy, operates under the idea of "individuals who wish to learn the same thing, learn together" which is similar to that of a university. The Academy is divided into 3 schools: Technical Academy, Professional Academy and Technology Academy; each school is overseen by a newly appointed committee to monitor the competency of the learners as well as to determine the necessary improvement of each field.

The results from Learning Architecture will lead to:

- 2.1 Readiness of manpower, both in terms of quantity and quality for all organizational changes whether it is relocation, assignment of important tasks, and adaptation to the ever-changing business circumstances etc.
- 2.2 Learners will receive direct knowledge and experience from their respective Academies and are able to build a new body of knowledge through the Academy's committee as well.
- 2.3 Reduction of repetitiveness in human development management which will lead to standardized and more effective development within the organization.

This particular learning system will be operated via LMS (Learning Management System) that has been jointly-developed with SCG subsidiaries and a corporate consultant, Cornerstone, for better learning process; easy, convenient and quick accessibility for the employee. The main objectives of this approach are as follows:

- To allow competency evaluation which include both self-evaluation and evaluation by their respective superiors to ensure consistent improvement and development.
- To facilitate employees and their respective supervisors to perform IDP (Individual Development Plan) and to select appropriate training courses each year.
- To provide a request-for-training function and a database in which employees can access their training-related information such as enrollment history, training certification, and can also request for training in interested courses.

The whole process of personnel development is operated under 70:20:10 scheme (70 being learning by actual practice and direct experience, 20 being learning from others, and 10 being formal learning or from seminar) with the learners being the center which corresponds to SCG's philosophy on 'Belief in the value of the individual'.

3. Organizational culture development

The Company is determined to mainly develop the components in mindset and behaviors of an individual, believing that doing so will result in sustainable transformation.

As such, in the year 2015, the Company has 480 employees in total.

9. Corporate Governance

9.1 Corporate Governance Policy

The Company operates its business with responsibility, transparency, and fairness, and adheres to the philosophy within the frame of ethics to which has long been complied for the balanced and sustainable benefits and happiness. Our Board of Directors serves as good examples, abiding by the Company's principles and ethics.

The Board of Directors are committed to running the business under the good corporate governance framework, and have put the governance policy in writing, with the main points being in line with the guide on good corporate governance guide for the companies registered in the Stock Exchange of Thailand, Office of the Securities and Exchange Commission, Thai Institute of Directors; and with the international guides. The policy covers the rights of and equal treatments for the stockholders, stakeholder supervision, disclosure and transparency, responsibility of the boards and other subcommittees; and serves as the main guide to govern and support the efficient management of the Company, virtue and ethics in operating a business, examinable transparency and responsibility to the society and all stakeholders, which is an important basis of the organization's sustainable growth.

Corporate Governance Guide

The Company conducts its business in line with sustainable development and good corporate governance policy operating business with responsibility to societies and environment and fairness to every stakeholder under the Board of Directors' close governance.

In 2010, the Board of Directors approved the Corporate Governance Policy, with the intention of developing the relationship between the Board, the management, shareholders and every stakeholder into one which develops competitive strengths, and leads to long-term growth and value-add for the shareholders. The prepared content is aimed to be in line with the Stock Exchange of Thailand's

the Principle of Good Corporate Governance for Listed Companies 2006, and Office of the Securities and Exchange Commission's manual to show effectiveness, transparency and verity of our management system in order to gain the trust and confidence of shareholders and people involved.

Having considered changes on the social and economic front, development of ASEAN corporate governance, and the need to align the corporate management guide with international corporate governance standards—to ensure the trust in stakeholders and support sustainable growth—the Board of Directors reviewed and had approved the improvement of the Company's corporate governance for clearer operational results by adding anti-corruption policy, stakeholder treatment policy and guideline, business code of conducts, as well as, the Company's code of conducts and corporate governance guidelines in line with the occurred changes, The Board of Directors agree to adapt the Company's corporate governance guide in light of the changes, adhering to the good corporate governance guide of the Stock Exchange of Thailand's and Thai Institute of Directors (IOD) that are adjusted and edited to the principles of ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), with the aim of internationalizing the ASEAN corporate governance standards.

In addition, the Board also approves the enhancement of charters for the committees and subcommittees to be consistent with the present extended scope of duties and corporate governance practices. The charters were published in the company's website.

In 2015, the Company's corporate governance assessment results were as follows:

- Achieving a full score of 100 for the assessment; ranking in "excellent" level in the AGM Checklist 2015 done by Thai Investor Association;
- Being assessed by Thai Institute of Directors (IOD) in the Corporate Governance Report of Thai Listed Companies 2015 in the "Very Good" level;

1. The Rights of Shareholders

Apart from granting the shareholders' ownership rights to control the Company by appointing the Board of Directors to act on their behalf and decide on significant changes of the Company, the Company also encourages shareholders to exercise their legal rights. The Board of Directors realizes and gives priority to supporting shareholders' rights, by respecting and not infringing or depriving their rights.

The Company has a policy to support, promote and facilitate every shareholder, every group, as well as corporate shareholders to claim their rights as share investors, and as company owners, using accepted and trustworthy methods and standards. Rights include: freely selling, buying or transferring the stocks owned; receiving profit shares from the Company; adequately receiving the Company's correct and complete news and information on time; proposing shareholders' meeting agenda in advance; nominating the Board of Directors; joining the shareholder's meeting; assigning proxies to join and vote in the shareholders' meeting; freely expressing opinions, asking and voting in the meeting; and together deciding on the Company's important matters such as appointing auditors and determining of the auditing fee. Every shareholder has the right to vote according to the shares owned; one vote for each share and no share has priority over others.

Apart from the basic rights mentioned above, the Company also carries out other actions to support and facilitate the shareholders further as follows:

- 1) Disclosing to shareholders important and necessary information regarding business operation clearly and promptly via the Company's website and the Stock Exchange of Thailand.
- 2) In order for every shareholder to receive adequate and clear information for study before the shareholder's meeting. The Company clearly publicizes the date, time, place, meeting place's map, schedule and attached documents for shareholder's meeting and clearly categorizing each topic, both in Thai and English, through the Stock Exchange of Thailand's SET Portal system and on its website no less than 30 days before the meeting day.

For the notice of shareholder's meeting, the Company provides details of each agenda, together with the Board of Directors' clear rationale and opinions, sufficient for shareholders to consider and make decision with their votes, included are related documents such as registration form, documents and evidence required to be shown before entering, how to authorize proxy, registration and the proxy form and the Company's regulations regarding the meeting; in its website both in Thai and English not less than 30 days prior to the meeting date, and sends the abovementioned to shareholders not less than 21 days in advance.

3) To facilitate shareholders who cannot participate in the shareholders' meetings in person, they can authorize an independent committee or any person to participate on behalf of themselves, using one of the proxy forms that follows the rules of DEP, Ministry of Finance, submitted together with the meeting notice by the Company. This method enables shareholders to control their voting in the way specified by the Department of Business Development, Ministry of Commerce. The Company has attached documents and evidence required to be shown before entering, how to authorize proxy, and registration to the meeting notice and also includes the information of independent committees who are appointed by the Company to be shareholders' authorized representatives, who have no conflict of interests on the agenda to elect the directors in the meeting notice, as a choice of proxy for shareholders who wish to use a proxy. Moreover, shareholders can download proxy forms via the Company's website both in Thai and English.

Shareholders, who are corporations or foreign investors and appoint custodians in Thailand, can arrange for the necessary documentation in advance for the convenience of the registration on the meeting day.

4) Shareholders can propose meeting agendas and nominate people with proper qualifications to be elected as Directors replacing directors who are due to retire by rotation, three months prior until the end of the Company's fiscal year. The Company also gives a chance for them to submit questions regarding details of each meeting or other details of the Company before the meeting day via email: contact_tpc@scg.co.th or to the Company's address. If shareholders need to

ask for more information, they can directly contact the Company Secretary via these channels:

- Address: SCG 100th year Building, 19 Floor,
1 Siam Cement Rd., Bangsue, Bangkok 10800
- Telephone: 0-2586-3012, 0-2586-1393
- Fax: 0-2586-3007
- Email: contact_tpc@scg.co.th

5) In 2015, the Company held the Annual General Meeting of Shareholders on 24 March 2015, with 9 attending directors (calculated as 100%):

- (1) Mr. Cholanat Yanaranop
Chairman
- (2) Mr. Dhep Vongvanich
Director and Chairman of
the Remuneration Committee
- (3) Mr. Prawit Ninsuvannakul
Independent Director and Chairman of
the Audit Committee
- (4) Mr. Roongrote Rangsiyopash
Director
- (5) Mr. Somchai Kongsala
Independent Director, Member of the Audit
Committee, and the Remuneration Committee
- (6) Mr. Somchai Wangwattanapanich
Director and Member of
the Remuneration Committee
- (7) Mr. Apiporn Pasawat
Independent Director and Member of
the Audit Committee
- (8) Mr. Aviruth Wongbuddhapitak
Director
- (9) Mr. Suchai Asvathavornvanit
Director and Managing Director

6) The Company held the Annual General Meeting of Shareholders for the year 2015 at Crystal Hall, 3rd floor, Plaza Athenee Bangkok, A Royal Meridien, just like in 2014, in order to effectively facilitate the shareholder meeting, and to encourage shareholders to voice or express their opinions in the same meeting hall, enabling a smooth and transparent meeting.

Furthermore, it is located in a highly accessible area - close to Wireless Road and not far from Ploenchit BTS Station.

7) On the meeting day, the registration was equipped with a Barcode system, showing the registration number of each shareholder typed on the registration form and the proxy form, ensuring fast and accurate registration and receiving the ballots for shareholders and proxies. Moreover, for shareholders' convenience, the Company also set up a document checking point for proxies and prepared duty stamps to be sealed on the proxy form, and arranged welcoming staffs to service and assist shareholders. The registration started at least 2 hours before the commencement of the meeting.

8) Before the agenda of shareholders' General Meeting was announced, the voting procedure and vote counting were explained clearly by the Managing Director as assigned by Chairman. It can be summarized as follows:

(8.1) For voting in any meeting, one share counts as one vote. Voting and counting of votes are done openly by raising a hand.

(8.2) The Company prepares ballots for use in any voting agenda for transparency and verity. In each voting agenda, the Chairman will ask any shareholder or proxy, who votes for, against or abstains, to raise hand, vote in a ballot and sign. Then, staff will record the vote by scanning the barcode on the ballot and collect it in case of shareholders who vote against or abstain. And all voting-for ballots will be collected at the end of the meeting, making the ballot collecting process in each agenda faster. For shareholders appointing independent directors as their proxies, the Company will count the number of votes for, against and abstain, according to the shareholders' intention.

(8.3) The results of the vote count for each agenda will be collected and announced in the meeting after each voting round is finished. If counting takes a longer time than usual, the Chairman may ask for the meeting to continue, in consideration of the other agendas. And when staffs have completed counting votes, the details of results will immediately be announced in the meeting.

9) There will be a representative of the external auditor acting as the witness of the vote counting on each general meeting, as well as representatives of the Rights Protection Volunteers who will observe the meeting.

10) Shareholders who arrived after the Meeting has commenced are able to vote on the agenda item being considered provided that a resolution has not yet to be made, and constitute a part of the quorum starting from the agenda item for which they are attending.

11) In the shareholders' meeting, the Chairman invited and encouraged every shareholder to freely and equally express their opinions, recommendations, or questions in each agenda before moving to a resolution on any item, this is done by allocating adequate meeting time to provide shareholders with adequate information and details concerning the matters at hand. Should shareholders have questions or doubts, the Company had appointed the involving staffs to answer under the responsibilities of the Board of Directors.

12) In each meeting agenda, five shareholders or more can request for a secret ballot, and the method should be approved by majority of votes in the meeting.

13) At the 2015 Annual General Meeting of Shareholders, Chairman asked the Meeting to consider the agenda Chronologically just as it had appeared in the notice of meeting submitted to shareholders prior to the meeting, without any changes in order. There were approval for annual financial statement and profit allocation, approval and resolution for individual director election, approval for auditor appointment and audit fee, director and subcommittee remuneration – regular compensation, meeting fee and bonuses without other benefits or request to the Meeting to consider any agenda item other than those specified in the meeting notice.

14) The Company disclosed the resolution of the Annual General Meeting of Shareholders for the year 2015 to the public to acknowledge the voting results in each agenda via the Stock Exchange of Thailand's SET Portal system which was then posted on the Company's website after the meeting.

15) The Company had a complete Shareholder's General Meeting minutes, including important information such as a list of the Board of Directors and participated management, voting processes and

procedures, resolutions, voting results in each agenda, as well as shareholders' questions, explanations and opinions suggested in the meeting. The minutes of the 2015 Annual General Meeting of Shareholders was completed within 14 days since the meeting day and submitted to SET and the Ministry of Commerce within the deadline specified by the law, before being posted on the Company's website. Moreover, the Company also recorded the meeting in pictures.

16) After the meeting, the management will consider shareholders' questions and suggestions collected from the meeting, and propose them to the Board of Directors, for the implementation of proper practices, and to improve the meeting in the following years. In the Annual General Meeting of Shareholders for the year 2015, the Board of Directors had answered all the shareholders' questions and took into account suggestions during the meeting as well. The management had complied and proposed these suggestions to the Board of Directors for consideration and were approved to proceed as follows:

Shareholders' Proposals	Company's Implementations
1. Planning for production cost control to compete with China in the long run (Meeting Minutes Pg.7)	The management proposes to include the said plan in Company's Medium Term Plan
2. Presenting information of the Company's audit fee in a clearer manner (Meeting Minutes Pg.13)	Separate the Company's audit fee for approval and subsidiaries' audit fee
3. Organizing plant visit for shareholders (Meeting Minutes Pg.17)	A plant visit is scheduled for Quarter 1/2016

2. The Equitable Treatment of Shareholders

The Company recognizes its duty to protect the interests of every group of shareholders; regardless of the size of their holdings, whether they are individuals or corporations, Thais or foreigners; to be treated fairly and equally, and their rights to maximum benefits as shareholders:

(1) Inviting minor shareholders to propose agenda items and nominate candidates for election as directors in advance

The Company prescribes the criteria and procedures for shareholders to propose agenda items in the meeting and nominate candidates to succeed directors whose terms expire, at least 3 months before the meeting day until the end of the Company's annual fiscal year. The Company posted the said criteria and procedures via SET Portal system and its website.

For the 2016 Annual General Meeting of Shareholders, the Company invited shareholders to propose agenda items, and nominate candidates for election between October 1 - December 31 2015, by submitting the agenda item proposal form and/or director nomination form, together with required documents via the Company secretary. The guidelines are as follows:

For the meeting agenda proposal, one or more shareholders who hold shares on the proposed date, totaling not less than 1% of all votable shares of the Company (no less than 8.75 million shares) are entitled to propose an advanced meeting agenda. The Board of Directors will consider adding and specifying the item in the meeting notice, as one which has been proposed by shareholders. However, if the Board denies the item proposed, the Company will provide explanations in the Annual General Meeting of Shareholders.

For nominating candidates for the position of directors, every shareholder is entitled to nominate candidates to be directors in advance, in order to select the persons with proper qualifications for the Board, and to screen the nominated candidates according to the Board of Directors nomination policy, before proposing them during the meeting for consideration and election to the Board.

However, during this period, no shareholder proposed any agenda item and or nominated candidates for the election of Directors in advance.

(2) Allowing shareholders who cannot participate, to vote via an authorized proxy

If any shareholder is unable to attend the meeting in person, they could vote by authorizing an independent director who has no conflict of interest in the director nomination agenda as listed in the meeting appointment

notice for shareholders to choose to be their proxy, and to join the meeting and vote on their behalf. The Company has also attached 2 types of proxy forms specified by Department of Business Development, Ministry of Commerce and documents, instructions on the evidence required to be shown before entering, as well as instructions on how to authorize proxy and register, together with the shareholder meeting notice, which will be sent via post in Thai and English, 21 days prior to the meeting day; and will post the document on the Company's website both in Thai and English, not less than 30 days prior to the meeting day.

(3) Prevention of Insider Trading

The Company pays attention to preventing the use of insider information for personal gain or for the benefit of others, via price manipulation of the Company's shares, by clearly establishing the insider trading prevention measures in writing, in the Corporate Governance guide and Code of conduct, and Regulation for Employees as guidelines for stakeholders, which consist of the Board of Directors, Executives, and employees in the departments involved with insider information including their spouses and children who are minors. The practices are as follows:

- Employees should exercise their caution in releasing the Company's important information that may significantly affect the business operation or stock price or investment decision if released inappropriately, whether it is financial, investment data or trading secrets; by strictly follow the Company's disclosure policy. Every employee is not allowed to disclose the Company's unreleased information to the public at any time unless being assigned by the Managing Director. Directors, executives and employees are not allowed to use the unreleased information for their own benefits or those of others' illegally.
- Directors, executives and employees in the unit that involves with the information (including their spouses and children who are minors) are prohibited from trading the Company stock, within 2 weeks before release of the quarterly and annual financial statements, and within 24 hours after the release (blackout period). The Company's Secretary will send a letter to people involved to

notify the Blackout Period one month prior and the Company will regularly check the stock trading of people involved, and prohibits employees involved in the preparation of financial statements from disclosing these statements to other uninvolved parties during the closing date of the financial statement, up till the release date.

In the case where directors, executives and employees in the unit that is involved with the information (including their spouses and children who are minors) gain knowledge of any undisclosed information which may affect the Company stock price, they must not trade the stocks until the 24-hour period, since the release to the public is over.

- Directors and executives, according to the definition of the Securities and Exchange Commission (SEC), should report their own and their spouses and children who are minors' holdings of the Company stocks and report any changes of their holdings of the Company stocks when there is a sale, transfer or receipt of stocks and submit the copy of the abovementioned report to the Company Secretary to collect and propose to the Board for acknowledgement every time.

The Company also regularly follows up the results of such measures and reveals the number of stock holding at the beginning and end of the year, including those which were traded during the year by the directors and executives (including their spouses and children who are minors) in the annual report.

- In 2015, there were no violation of rules by the directors and executives involved in the misuse of internal information.

(4) Preventing of Conflicts of Interests

The Company realizes the importance of managing conflict of interests between the stakeholders carefully, fairly and transparently; stakeholders include the Board of Directors, executives and employees. The Board of Directors establishes policies and practices for conflict of interests as follows:

- Directors, and executives should report their interests, as well as those of their related persons', in the Management of the Company or a subsidiary

when they take the position of directors or executives for the first time, and report on every change in their interest, at every year-end.

The Company Secretary should submit copies of such report to the Chairman for examination, within 7 working days since the day the report is received, pursuant to the Securities and Exchange Act B.E. 2535. Chairman also assigns the company secretary to submit a copy of the report to Audit officers and to use the information in the examination and prevention of conflict of interest.

- The stock holding structure in the subsidiaries, associated companies, co-owned business and other companies, as well as influential shareholders, are clearly revealed to ensure shareholders that the Company's stock holding structure is clear, transparent, and that there are no cross holdings among large shareholders; so conflict of interest will not occur.

- At the Board of Directors' meeting, if any director has vested interest in the matter in consideration, the director should not have a part in the decision for that matter, by not participating in the meeting or abstaining from voting, to ensure the directors' decision is truly fair for the utmost benefit of shareholders.

3. Roles of Stakeholders

The Company upholds a vision to fairly operate its business and adheres to social responsibility, using the principles of creating values together between the organization and every stakeholder for sustainable benefits, with the Board of Directors controlling the operation to ensure that the Company follows the laws and the Company's regulations and guidelines in the good corporate governance, Code of conduct, and policies of the companies involved. In addition, it will ensure that the rights are strictly protected and treated with equality.

With increasing stakeholders' roles in business operation, the Board of Directors will establish the Stakeholder Engagement Policy. The Company committed to act as good corporate citizen, especially in every community where the Company operates its business, by respecting and treating stakeholders fairly, listening to opinions

or concerns, and arriving at an understanding with stakeholders, supporting creative cooperation on the topic in stakeholders' interest, as well as developing the societies and environment for the Company's sustainable business operation.

Moreover, the Board of Directors sets clear guidelines of stakeholder treatments for all 12 groups for employees involved in business operations, and to add long-term value to shareholders. In addition, the implications this has for other stakeholders of the Company and for the practices of each stakeholder group will be considered. The policies will be posted on the Company's website.

The guideline for each stakeholder group can be summarized as follows:

1) Shareholders

The Company considers shareholders to be company owners, and therefore requires that the Board of Directors—as representatives of shareholders—executives and employees, operate the business in accordance with the Company's values and commitment to principles of good corporate governance, as well as its goal of maximizing benefits and long-term value for shareholders by managing the organization, following its vision and corporate governance principles with honesty, carefulness and without personal conflict of interests, in order to generate sustainable compensation to every shareholder. It also sets effective internal controls, internal audit and risk management measures, as well as assign independent directors to take care of minor shareholders and answer to complaints or suggestions from shareholders.

2) Employees

The Company believes that employees are valuable resources and factors of success, therefore it treats employees fairly on the basis of human rights, considers their needs with the hope of fostering good relationships between employees and the organization, supports skill and potential development, and provides career security and advancement with important practices as follows:

- Select employees based on an effective selection system and adopts fair hiring conditions to obtain “skillful and good” employees—high quality and honesty—to join the team.

- Thoroughly and fairly take care of employees, respect and protect personal freedom of employees, support and respect their rights to freely express opinions, and provide a complaint system for employees to report inappropriate treatment under the Code of Conduct and to protect employees from being bullied or being punished from such report (Whistleblower policy).

- Encourage teamwork for the harmony of the organization and create awareness among employees to have discipline in operation, by establishing an organization culture to foster projects for employees, such as new employee preparation program, with main objectives covering the Company's ideology, code of conduct and the Open and Challenge corporate culture, encouraging employees to think and be ready to adapt for excellence; and preparation programs for local employees in foreign countries where the Company invests, to help them understand the business operation of the Company and to take pride in the Company. Besides, the Company has also established corporate culture unit and 'Mentor system' to consistently promote such activities.

- Thoroughly, adequately, and continually develop employees in every expertise relevant to their duties and responsibilities including build awareness of moral principles in every employee. Each year, employees will be trained for approximately 10 days in several courses such as Classroom Training, On the Job Training, Self-Learning, Community-of-Practice, e-Learning and there is also Knowledge Management to spread and further knowledge domestically and internationally. The Company's Human Resources develops Training Roadmap to design development plan for each employee based on their competency, to make them all-round, rotates and transfers duties and assigns employees to work in foreign countries.

In 2015, the Company spent employee development budget of 5.6 million baht, on average 11,700 baht per employee last year, showing the commitment to develop human resources.

- Encourage employees to have balance between working and personal life by taking care of employees to be both mentally and physically healthy via a Holistic Health Program. For example, the program includes establishing Employee Club and activity clubs such as running club, mental health development and building a sports center for employees.

- Assess operation results and remuneration management, considering base individual duty appropriateness, responsibility and skills and provide fair and suitable benefits for employees and continually improve the benefits to be in line with leading companies in the same industry. Apart from monthly compensation, the Company provides monthly additional living fee to employees in each area as appropriate, and also manages benefits such as medical and dental fees, annual check-up, allowances, and transportation fee. Additionally, the Company provides a provident fund to pay employees when they are not employed in the ratio of 5% to 10% of employees' salary, depending on the employee's working experience and a provident fund that is registered as a juristic person with the Ministry of Finance, in accordance to the Provident Fund Act, B.E. 2530, as another choice for the employees. Employees who apply to the new fund should make monthly payments in the ratio of 2% to 13% of their salary and the Company will jointly pay in the ratio of 5% to 13% of the member's salary depending on the member's working experience.

- Foster consciousness and encourage awareness of the importance of environment, safe and hygienic working and provide good atmosphere at the workplace for employees to feel warm, as if they are a part of the same family, manage the system in accordance to occupational hygiene and safety and international standards of environmental management systems. The Company strongly supports the environment, health, and safety of employees and is committed to foster awareness among employees and related people to follow the Code of Conduct. Fundamental courses are provided to continuously train and educate

employees, and can be classified as course for new and transferred employees, for employees in environmental field and for Company's executives as following details:

Fundamental course for new and transferred employees

The Company strictly considers safety and environment, so that new and transferred employees can work safety and do not destroy the environment. The fundamental courses are ISO overview, Integrated ISO (50001, 14001, 18001, 9001), SHE Law & Regulations, including e-SMART ISO, which help employees to manage and access to regulations and documents related to environment, resulting in efficiently working.

Course for employees in environmental field

The Company emphasizes on the development of employees working in the environmental field. These positions, which require awareness of the importance of safety and environment, are for example controller/officer of treatment system, gas filling and transportation, protection of radiation damage, boiler controller, energy responsible officer, contractor safety management etc.

Course for Executives

Directors and managers play important role in managing and monitoring subordinates to work safety and care for the environment. There are courses for security officers in managing and executive level, and also SCG Young Talent Manager project to raise awareness in new executives about the importance of environmental protection in the factory.

The intention is to create environmental awareness and safety culture for employees in every level. The employees in production process will have to learn the risk management principles, prevention, control and compliance. Furthermore, the Company pays much attention to standard compliance driving guideline and measures for efficiency in good environment maintenance at the international level. Additionally, the Company emphasizes on the importance and awareness on safety as one of the organization culture.

In 2015, the accident Injuries Frequency Rate (IFR) in the Company was 0.14 in 200,000 working hours. Decrease 44% from previous year.

- Other benefits – to help lessen the educational fee burden of the employees' children with excellent school records, and to encourage the employees' children to be diligent, the Company provides scholarships to employees' children with excellent school records, in the levels of primary school, secondary school and vocational school. The employees' children who apply for scholarship should be legal children of the employees and have the latest school record, with an average score of 70% and above.

3) Clients

The Company is committed to innovations and to delivering products and services which meet clients' needs in terms of quality and at a fair price. The safety of products and services should comply with international standards, be environmentally-friendly, and support sustainable growth in accordance with the policies of operation excellence and value-added marketing, to maximize clients' confidence and satisfaction. The Company has set up a unit responsible for customer relations. This unit will provide suggestions concerning products and management, as well as offer recommendations, after-sale services and handle complaints, in order to prepare working plans for improvements in operation effectiveness.

The Company has good management procedures to ensure good relationships with clients, with main factors such as Voice of Customer client satisfaction surveys for each business group that are carried out annually to gauge the clients' expectation and satisfaction level and to gather customer feedback. The results recorded in the central customer database system will be studied to identify the customers' needs and to bring them long-term satisfaction.

4) Business Partners

The Company follows the honest competition framework, adhering strictly to the agreements, ethics, and promises given to partners, by agreeing on proper and fair purchase prices according to price reasonableness, quality, and services received. Rules for procurement

of supplies and its proceedings are clearly set: prohibit employee from requiring or accepting any gift or benefit from business partners. Company is supporting partners who enable to supply environmentally-friendly products, and avoiding procurement from partners which violate human rights or intellectual rights; and not dealing with partners who engage in illegal operations or actions opposing peace and morals.

5) Suppliers

The Company has policies to take care of its business partners both in aspect of environment and occupational safety, considers proper and fair compensations, and ensure suppliers to pay compensation to workers not less than the legal requirement provide opportunity for suppliers to meet company executives, and communicate their opinions directly to ensure that the operation targets are achieved. Moreover, the Company supports the development of competence and knowledge both inside and outside their fields of expertise, to achieve better working efficiency among its employees and business partners.

The Company has established a TPC Supplier Code of Conduct, for suppliers—dealers and people employed and/or provide services to the Company—to ensure that business partners gain thorough understanding. The Code of Conduct will be a guideline for business partners to behave well, and govern the corporation showing concern for society and the environment. It will be used as a standard for cooperating businesses, with 5 principles as follows: (1) Business ethics, (2) Labors and human rights, (3) Occupational hygiene and safety, (4) Environment, and (5) Laws and regulations. The Company's business partners are required to sign the business ethics agreement before starting business.

6) Joint Venture Partners

The Company respects joint venture partners' rights and treats them fairly, and cooperates well with them to promote and support the successful operation of the joint venture. It encourages the exchange of opinions, suggestions and joint-consideration of business plans, as well as proper and transparent distribution of benefits. To make the joint venture succeed as expected, it operates based on the legal framework and sustainable development guidelines.

7) Creditors

The Company treats creditors fairly and transparently, strictly adhering to conditions and agreements in the straightforward way without dishonesty or concealing any important information or facts that may cause damage to creditors and completely pays back its loans together with interests and on time to creditors.

8) Government Agencies

The Company values government agencies as its stakeholders and establishes practices in conducting transactions with the government in Ethics and Anti-Corruption policy. It will strictly follow the applicable laws and practices that may vary with conditions, procedures or practices in each area, and will not carry out any action that may induce employees in the government agencies to take improper actions, but instead, cooperate with the government agencies in the field of academic matters and activity support, as well as listen to opinions, suggestions or complaints from the government agencies.

9) Communities

The Company's business operation is fair to every stakeholder and it adheres to the ideals of social responsible business operation, by supporting activities aimed at improving the quality of life and to benefit the communities and societies in which the Company operates, both in Thailand and foreign countries. It also raises awareness among employees and stakeholders for the need for good conduct, responsibility and the need to bring benefit to communities and societies. The Company encourages all employees to care for the surrounding environment, develop potential and abilities of youth in these communities, promptly ease the worries of people with difficulties, as well as develop community members' capability and livelihood, promote medical and public health activities/programs for better hygiene and quality of life for community members, support and promote activities regarding arts, culture preservation, and religion maintenance. Furthermore, it offers opportunities to communities and stakeholders to jointly participate in activities or projects and express their opinions, suggestions or complaints resulting from the Company's operations, in the hope of creating a sustainable cooperation between the industry and community.

10) The Media

The Company acknowledges the importance of disclosing news and information to the media who forward them to the public correctly and quickly. The Company places importance on providing information correctly, openly, transparently and in a timely manner. In addition, the Company organizes activities to continually encourage participation from the media, build good relationship with them, such as through plant visits, the Company's social activities, opinion exchanges, activities based on the media's interests, and offer supports to media's academic and social activities.

11) Competitors

The Company is committed to fair dealing, integrity, and transparency, in compliance with the law and ethics. It does not seek any illegal advantage over rivals or confidential information by means of dishonest or improper methods, does not conduct any action which violates competitors' intellectual rights, abstains from groundlessly defamation of competitors, and supports and promotes free trade, avoids any agreement to decrease or limit trading competition with competitors.

12) Civil society, academics and opinion leaders

The Company considers its responsibility to society and every stakeholder, and therefore releases business operation information that is complete, correct, transparent and verifiable. Viewpoints, opinions and suggestions from civil society are also considered by the Company, to reflect on several issues so that it can improve on to add value and benefits to society and to create joint guidelines for sustainable business operation.

Contact channels for stakeholders

The Company gives stakeholders an opportunity to offer their opinions via the Company Secretary in the following channels. The suggestions will be collected for screening and be reported to Executives and the Board of Directors.

Company Secretary Telephone: 0-2586-1393,
0-2586-3012
Fax: 0-2586-3007
Email: contact_tpc@scg.co.th

Moreover, the Company provides channels for employees and external stakeholders to contact feedback opinions, complains, and report inappropriate actions via the Whistleblower System in the intranet (for employees) and via the website: www.thaiplastic.co.th (for other stakeholders) to take the following proceedings.

- Employees or stakeholders can share their opinions via the specified channels. The involved information will be deemed confidential and the source will only be revealed as necessary. The Company has protection measures in place for whistle-blowers or the source of information. Any inspection will be made without revealing the whistle-blowers or the source of information. In addition, whistle-blowers can request for proper protection measures from the Company or the Company may set protection measures without any request from whistle-blowers if it foresees the issue posing damage or insecurity.
- The Audit Office will investigate the complaints and consider the possibilities, seek for initial facts in every step needed to establish the truth within 30-60 days. The progress will be reported to reporters, should reporters be identified.
- In cases where the inappropriate act has indeed occurred, an investigation committee will be set up to investigate and consider penalties, and report the dishonesty and complaints to the Board of Directors.

4. Disclosure and Transparency

The Company focuses on information disclosure as it may affect the decision of investors and stakeholders. It is therefore necessary to control and set measures for the disclosure of information, financial and non-financial, in accordance with the law. The information should include complete main points; be adequate, transparent and credible; and be published on time in Thai and English via SET Portal system provided by SET and the Company's website.

Moreover, the Board of Directors is committed to the practice of disclosing information that pertains to the Company, so as to systematically organize the release and to prevent possible damages arising from incorrect information being improperly released, and to assure shareholders, public investors or stakeholders that the

Company's information disclosure is correct, complete, and timely pursuant to the laws and equal under the disclosure policy. The people authorized to release important information which have yet to be disclosed to the public are governed by codes of conduct which specifies the types of information which can be disclosed to the public, as well as the sensitive period during which extra caution should be exercised before disclosure. Details of the practices are published for stakeholders and the general public on the Company's website.

The Company strictly adheres to laws and regulations in the manner prescribed by SET, SEC and other government agencies and regularly monitors the changes to ensure that laws and regulations the Company complies with are correct, and shareholders can trust its transparent and open operations in:

1. Preparing reports regarding the directors and executives required by applicable laws and submitting reports to SEC as follows:

1.1 Shareholding report when being appointed as a director or an executive for the first time (Form 59-1) within 30 working days since the day of assuming the position.

1.2 Shareholding change report, when buying, selling, transferring, or receiving of the Company's shares (Form 59-2) within 3 working days since the change occurs.

1.3 Listing people in the list of the Board of Directors and executives of the Company issuing shares (Form 35E-1) within 7 working days since the day of assuming the position.

2. The Company establishes a policy that requires the Directors and Executives to report their own interests and those of any related persons, which are vested interests relating to the Management of the Company or its subsidiaries. The regulations and procedures are as follows:

- Report when taking the position of an executive or a director for the first time;
- Report every change of interest
- Report every year-end
- In case that a director is out-of-office and reassumes the position of a director again without

gap, the director does not have to resubmit the form if his interests are unchanged.

- The Directors and Executives should submit their interest report to the Company Secretary, who will forward them to the Chairman, Chairman of the Audit Committee and Internal Audit Director for acknowledgement within 7 working days from the date the Company has received the report.

3. The Board of Directors establishes a policy requiring directors to present and report the Company's general share sales or holdings during the Board of Directors' meeting every time, as well as to report general shares of its subsidiaries being held by directors and executives and general share holdings of their spouses and children who are minors to the Board of Directors every quarter.

Moreover, the Board of Directors sets a policy requiring executives to disclose their shareholdings both directly and indirectly (executives' spouses and children who are minors) and the changes in shareholdings of directors and executives; disclosing the number of shareholdings at the beginning and the end of the year and being bought or sold during the year in the annual report.

4. Prepare a report of the Board of Directors' responsibility which is to be included in the financial report, and present the report together with an auditor report in the annual report.

5. Disclose financial and non-financial information correctly and on time.

6. Publish the notice of the Annual General Meeting of Shareholders and the annual report within 120 days from the end of the fiscal year.

7. Publish the minutes of the latest Annual General Meeting of Shareholders on the Company's website.

8. Disclose the role and duties of the Board of Directors and its committees, the number of meetings held, and the number of meetings attended by each director.

9. Disclose the date of appointment of the Board of Directors in the annual report.

10. Disclose the nomination and performance assessment of the directors.

11. Disclose the compensation policy for the Directors and Executives including the types and amounts of compensation received by each of them for their appointment as Committee members.

12. Disclose the information of participation for every training course for committees hosted by IOD.

13. Disclose the operation and investment structures in its subsidiaries and associated companies.

14. Disclose audit fee and other service fees in the annual report.

15. Publish the Company's prospectus and regulations on its website.

16. Report on environment and social policy and its results.

17. Report on corporate governance policy and its results.

18. Publicize important investment projects and effects to the project by posting information via SET Portal system and the Company's website in order for shareholders, investors, journalists and related parties to acknowledge and gain access to transparent information.

The Company's information publication channels

The Company focuses on disclosing complete, correct and transparent information such as financial data, operation results and other related information apart from publicizing information under the requirement of laws. The Company also develops communication channels to convey information and news via several forms of media for the benefit of related parties such as: publicizing information via www.thaiplastic.co.th; publishing news via journalists, in several forms such as public relations news, news photos, articles and other social media; holding business and visit activities for shareholders, investors, analysts, academics community, the media and related parties; holding meetings for employees to clarify business operation policies, guidelines and operation results; and publicizing news and information to employees via electronic media such as intranet, email and social media.

For more information, investors or stock analysts can contact Business Development Department via these channels:

- Address: 1 Siam Cement Road, Bangsue, Bangkok 10800
- Telephone: 0-2827-7282
- Fax: 0-2827-7273
- Email: BDTPC@scg.co.th

5. The Responsibilities of the Board

1) Structure of the Board of Directors

The Board of Directors consists of experts with experience in related businesses and industries, who are nationally recognized as key players in setting the Company's policies together with executives, to plan short and long-term operations as well as establish financial policies, risk management, and the overall image of the organization. They play important roles in freely controlling, inspecting and assessing the Company's operation results and the executives' performance.

The Company's regulations require the number of directors to be no less than 7 persons and the directors should be appointed and demoted in the Shareholders' meeting. In the present, the list of nine directors is as follows:

1. Mr. Cholanat Yanaranop
Chairman
2. Mr. Dhep Vongvanich
Director and Chairman of the Nomination and Remuneration Committee
3. Mr. Prawit Ninsuvannakul
Independent Director and Chairman of the Audit Committee
4. Mr. Chaovalit Ekabut
Director
5. Mr. Somchai Kongsala
Independent Director, Member of the Audit Committee and the Nomination and Remuneration Committee
6. Mr. Somchai Wangwattanapanich
Director and Member of the Nomination and Remuneration Committee

7. Mr. Apiporn Pasawat
Independent Director and Member of the Audit Committee

8. Mr. Aviruth Wongbuddhapitak
Director

9. Mr. Suchai Asvathavornvanit
Director and Managing Director

The Board of Directors consists of one director who is of an executive level, a managing director, and 8 directors who are non-executives. Those non-executive directors have working experiences and have been involved with the Company's businesses or in industry sectors or organization management that benefits the Company.

The Company has 3 independent directors. Their duties are to inspect the management's operation; express their opinions and suggestions; support policies for the benefit of shareholders, stakeholders, and public; or oppose the Company's unfair or obscure decisions that may affect the benefits of shareholders and other stakeholders; and to order the Company to reveal the important related transactions, to ensure that the Company and shareholders will gain maximum benefits.

2) The Board of Directors' scope of duties

The Board of Directors should manage the business for the utmost benefits of the shareholders or have Fiduciary Duty, adhering to 4 important practices as follows:

- Duty of Care: performing duties with responsibility, carefulness and circumspection.
- Duty of Loyalty: performing duties with honesty.
- Duty of Obedience: complying with laws, objectives, the Company's Articles of Association, the Board of Director's resolutions and the Shareholders' Meeting's resolutions.
- Duty of Disclosure: revealing correct, complete, transparent, accountable, and timely information to shareholders.

The Board of Directors' duties are as follows:

- 1) Perform the actions pursuant to the laws, objectives and Articles of Association of the Company and the shareholders' meeting resolutions, with honesty, carefulness and circumspection, for utmost benefits of the Company and fairness to relevant parties;

2) Determine the Company's vision, mission and strategies for operations with annual review and approval. Evaluate goals and policies in business practice as well as improve the Company's competency to compete in international level.

3) Establish regulations and keep them up-to-date and appropriate for

- The Company's operation plan,
- Budgets and annual plan;

4) Ensure the implementation of the Company's strategies and monitor the results with regular reports as well as devise policies for improvement and development of the Company's operations, considering safety, occupational hygiene, social responsibility, environment, and personnel development.

5) Determine risk management policies, ensure effectiveness of implementations of such policies, monitor and evaluate risk management procedures on regular basis, and when the risk level has changed.

6) Oversee and develop the Company's principles of good corporate governance as guidelines for business practice and ensure the implementation of such principles. Including act as demonstration of Company's good corporate governance and ethics example.

7) Promote an ethical and virtuous mindset, corporate good governance, and the Company's anti-corruption policies to personnel of all levels, ensure appropriate internal control, and audit to eliminate the risk of corruption and misuse of authority as well as to prevent violation of laws.

8) Equally protect the benefits of both major and minor shareholders, encourage shareholders to examine their rights to protect their own benefits and ensure that shareholders receive accurate, complete, reliable and transparent information in a timely manner.

9) Recognize roles and responsibilities of the Board of Directors; respect and treat shareholders and stakeholders fairly and transparently, ensure that there are clear processes and channels to receive and manage complaints from informants or stakeholders and allow them to be able to directly file complaints or contact relevant persons regarding any issues that may be in conflict with the Board.

10) Annually assess the performance of the Board of Directors in which the evaluation should be divided into 2 types: evaluation of the overall performance of the Board of Directors (As a Whole) and individual assessment (Self-Assessment) as well as follow-up the evaluations of both the Board of Directors and subcommittees for mutual consideration among the Board.

11) Ensure that the Director nomination and selection process is transparent, and reasonably determine, in shareholder meeting, the remuneration for both the Board of Directors and subcommittees.

12) Always attend the Board of Directors' and shareholder meetings except in unavoidable cases; should any Director be unable to attend the meeting, he/she must notify the Chairman or Secretary of the Board prior to the meeting.

13) Consistently develop personal skills and knowledge; continuously attend training courses relevant to the Directors' duties or conference that enhances the knowledge and skills regarding the duties.

14) Devote adequate time for respective duties, never seek profits for their own or for anyone else and never commit any action that is in conflict or in competition with the Company's benefits.

While on duty, the Board of Directors may ask for advice from external independent consultants or experts in other fields as and where necessary and appropriate.

3) Duties of the Chairman

The Chairman should have the following duties:

1. Set the meeting agendas for the Board of Directors together with the managing director and ensure that the Board members receive correct, complete, and clear information in a timely manner, before the meeting, to enable the Board to make proper decisions;

2. Be a leader for the Board of Directors and a chairman in the Board of Directors' meeting;

2.1 Carry out the Board of Directors' meeting according to the agendas, the Company's regulations and laws;

2.2 Allocate adequate time and encourage every member in the Board to discuss, freely express

opinions, and carefully exercise discretion, while thoroughly considering for every stakeholder;

2.3 Clearly summarize the meeting's resolutions and to-do tasks;

3. Be a leader in the shareholders' meeting as specified in the agendas, the Company's regulations and laws, by appropriately allocating time; giving shareholders opportunities to equally express their opinions and respond to shareholders' questions appropriately and transparently;

4. Support and be a role model in adhering to the Company's good corporate governance and ethics;

5. Promote good relations between the Board of Directors and management and promote the actions of managing directors and management under the Company's policies;

6. Control the transparency of information release and manage cases where conflict of interests occur;

7. Control suitability of the structure and compositions of the Board of Directors;

8. Control the overall performance of the Board of Directors, subcommittees, and each director efficiently and effectively;

9. Control the overall performance assessment of the Board of Directors, each individual director, and subcommittees to improve the performance based on the results, and upgrade the skills and knowledge of the Board of Directors and subcommittees.

4) The Board of Directors' authorization

The Board of Directors has authority to approve the Company's issues under relevant laws, the Company's Article of Association, the Board of Directors' charter, Audit committee's charter, Nomination and Remuneration Committee's charter and the shareholders' meeting resolutions, including setting and revising the vision, main plan implementation strategies, risk management policies, annual budget plans and business operation plans, medium-term business plans, setting expected targets for operation results, following up and assessing the operation results as planned, managing capital expenditures, mergers, separations, and joint ventures.

5) Duty allocation between the Board of Directors and Management

The Company clearly separates duties and responsibilities between the Board of Directors and those of the

management; the Board of Directors sets policies and controls the management's performance at the policy level, and management carries out tasks in many fields as required by the policies. Therefore, the Chairman and managing director will be separate individuals. Both positions should be selected by the Board of Directors in order to find the most suitable person, and the Board will set and revise the executive succession plan regularly.

The Chairman is a non-executive director, and therefore does not take any part in managing the Company in order to clearly separate the duties of overall policy governance and those of management.

Management is authorized to carry out operations under policies set to be responsible and which are aligned with the overall operation result, control expenses and investment budget as set out in the limit by the Board in the annual plan, carry out actions in accordance with human resource policy, solve problems or conflicts affecting the organization, and maintain effective communication with related parties.

6) Term of the Board of Directors

Duration of the term of the Board of Directors

The Company's regulations set the duration for each term of the Board of Directors, under Public Limited Companies Act. In the Annual General Meeting of Shareholders, one third of directors should retire from office. If the number of current directors cannot be divided by three, the number of directors retiring from office should be closest to one third. The directors being in office for the longest time should be retiring from office. Presently, the Company has 9 directors; each will be in office for 3 years. However, retiring directors are eligible for re-election.

7) Policy of taking position in external organizations of the Board of Directors and Executives

Limitation of number of registered companies in which the Board can take position

The Board of Directors establishes a policy limiting the number of registered companies in which the Board can take position in, this policy aims to ensure that the Company benefits from Board members who can dedicate their time to effectively perform their duties. The policy is set to limit the number of positions board members can take up in registered companies to no more than 5 companies in total. Furthermore, should board members take up positions in other companies;

they are to propose the issue of their appointment with other companies to the Board of Directors for approval.

Policies and practices for being a director in an external organization

The Company develops a policy allowing the Board of Directors and executives to be either appointed as directors in other companies that are neither its subsidiaries nor its associated companies or to work in external organizations within the Company's office hours in 3 cases as follows:

- (1) Being a committee in a government agency that is not established for the benefits of a political party and the action is deemed as government support that will benefit the public;
- (2) Being a committee in a private organization established for public benefits such as the Federation of Thai Industries, Thai Chamber of Commerce, Thailand Management Association.
- (3) Being a committee in private organizations established for commercial purposes without competing against the Company's interests or taking the Company's time.

The Board of Directors should propose the appointment with other companies or external organizations to the Board of Directors for approval and in cases of executives, the issue should be proposed to a managing director. The issue should be considered based on the Company's intention to having committed and diligent employees who fully dedicate their time to work for the Company and to adhere to the Company's ethics concerning conflict of interests; which states that employees should not run any business that may compete with the Company's business. Approving employees to be directors or to work for external organizations/ companies during the Company's work hours is at the Company's discretion and is considered based on the suitability of each case.

8) Operation Result Assessment and Knowledge Development

The Board of Directors' Performance Assessment

The Company assesses the performance and review the performance of the Board of Directors and Audit Committees annually, at least once per year. In 2015, the Company added performance assessment and review for the Nomination and Remuneration Committee as well. The assessment can be divided into 2 categories,

those being the Board of Directors' performance as a whole, and self-assessment. The Board of Directors will analyze and summarize the assessment results to establish measures for improving performance efficiency of the Board of Directors and subcommittees.

The Board of Directors' performance assessment as a whole and self-assessment consist of 8 main items as follows:

1. Knowledge and comprehension in the position of a director as required by the laws and regulations of agencies or institutes such as SEC, SET or Federation of Accounting Professions;
2. Strategy setting and policy making;
3. Performance of duties as director/committee;
4. Monitoring financial performance and reporting;
5. The Board of Directors' meeting;
6. Director and managing director nomination;
7. Remuneration for senior directors and executives; and
8. Managing director performance assessment.

Performance assessment processes include: to conduct the Board of Directors' operation result assessment and self-assessment, the Board of Directors consider and approve a performance assessment form for the Board of directors and subcommittees, then the Company Secretary submits the assessment form to every director to assess the performance of the Board of Directors and Audit Committee. After that, the Company Secretary summarizes and presents the results to the Board of Directors for acknowledgement.

In 2015, the Board of Directors and subcommittees' performance assessment results were as follows:

The Board of Directors/ subcommittees	The Board of Directors' performance assessment as a whole (Full scores: 5)	Self-Assessment (Full scores: 5)
1. The Board of Directors	4.66	4.67
2. Audit Committee	4.74	4.55
3. Nomination and Remuneration Committee	4.87	4.86

The Board of Directors acknowledges the assessment results and improves the operation of the Board of Directors and the subcommittees, especially in regularly providing information to Directors regarding any changes of laws, regulations and practices for registered companies.

Managing Director Performance Assessment

The Board of Directors together with the Nomination and Remuneration Committees assess the managing director's performance by considering the business operation results and operations under the policy set by the Board of Directors, together with overall economic and social situations. The Nomination and Remuneration Committees will use the information when considering the remuneration of a managing director and propose to the Board of Directors, by considering information for the current year and comparing them to those of the past years, across multiple aspects as follows:

1. Consider business operation results from a percentage of EBITDA on Operating Assets, in which targets will be set every year as an assessment and comparison criteria;
2. Compare the business operation results with results of the same industry, both domestically and internationally; and
3. Consider the business development ability and

operation effectiveness improvement of each business, annually.

Director and Executive Development

The Company always encourages the Board of Directors and Executives to participate in courses useful for their operation and exchange opinions with the likes of other organizations. The courses include those offered by the Company's training unit and by the government's governance unit or independent organizations such as IOD's director courses that SEC requires directors of the registered companies to pass; at least one course from these three courses: Director Certification Program (DCP) Director Accreditation Program (DAP) and Audit Committee Program (ACP). This is for directors to utilize their knowledge and experience in developing the organization.

To support the Board of Directors' operation, the Company provides the Company Secretary the opportunity to cooperate between the Board of Directors and management team. In addition, the Company Secretary ensures coordination in related legal and regulation matters, the Board's activities, encourages the Directors to attend seminars and courses beneficial to their responsibilities and follow ups for the operation under the Board's resolutions.

Developments and trainings participated by Directors in 2015

Directors	Details
1. Mr. Cholanat Yanaranop	<ul style="list-style-type: none"> • Participate in the talk, arranged by SCG, in the topic of "The Roles of Directors in Anti-corruption Efforts"
2. Mr. Prawit Ninsuvannakul	<ol style="list-style-type: none"> 1. Training with the Federation of Accounting Professions <ol style="list-style-type: none"> 1) International Standard on Review Engagements (TSRE) 2400 (Revised), International Standard on Assurance Engagements (TSAE) 3000 (Revised) and International Standard on Related Service (TSRS) 4410 (Revised) on Wednesday, November 17, 2015, at the Federation of Accounting Professions. 2) IT Audit for Non IT Auditor on Thursday, December 3, 2015, at the Federation of Accounting Professions 3) Auditing for SMP or NPOs on Tuesday, December 22, 2015, at the Federation of Accounting Professions 2. Instructor in the following courses: <ol style="list-style-type: none"> 1) "Advanced Certificate Course in Public Administration and law for Executives Batch#14" with the topic "New budgeting information, accounting and financial management" on Saturday, June 13, 2015 at King Prajadhipok's Institute 2) "Project Management course" with the topic "Internal Audit" of the Office of the Public Sector Development Commission (OPDC) on Saturday, September 9, 2015, at Songkla 3) Executive Program "Good Governance for Sustainable Development Batch#2" with the topic "Executive Internal Audit Mechanism" of the Institute for Good Governance Promotion (IGP) on Saturday, May 9, 2015

Directors	Details
2. Mr. Prawit Ninsuvannakul	3. Participate in KPMG seminar Enhancing Auditor Reporting : Providing insight and Transparency. July 2015 at KPMG.
3. Mr. Chaovalit Ekabut	<ul style="list-style-type: none"> Participate in the talk, arranged by SCG, in the topic of <ol style="list-style-type: none"> The Development of Thailand's Infrastructure and Strategies in the ASEAN Context The Roles of Directors in Anti-corruption Efforts
4. Mr. Somchai Wangwattanapanich	<ul style="list-style-type: none"> Participate in the talk, arranged by SCG, in the topic of <ol style="list-style-type: none"> The Development of Thailand's Infrastructure and Strategies in the ASEAN Context The Roles of Directors in Anti-corruption Efforts Participate in the Director Certification Program (DCP), class of 208/2015, Thai Institute of Directors Association (IOD)

Other Directors were unable to participate in trainings held by external institutions because the course schedule clashed with the Directors' important missions.

New Director Orientation

In the case of a newly nominated director, the Company develops a director induction program to train new directors to operate as fast as possible, with the help of a Company Secretary to cooperate in these 3 fields:

- 1) Collecting necessary information related to directors for the benefit of ensuring compliance with director-related laws;
- 2) Delivering information important and necessary to the Board's operation such as the Company's prospectus and regulations, the Board of Directors manual, a manual for directors in registered companies, and operation result summary, for the Board to have reference and be able to perform initial search; and
- 3) Arranging discussion sessions for the Chairman, directors, management or department managers to acknowledge and question for insights into the Company's business operation.

9.2 Subcommittees

The Board of Directors appoints subcommittees; Audit Committee and Nomination and Remuneration Committee to perform specific duties and presentation to the Board of Directors to consider or acknowledge. The Subcommittees' Charters are set to specify duties and responsibilities and are published on the Company's website. The Board

of Directors may appoint other specific subcommittee depending on the appropriateness or changing situations.

Audit Committee

The Audit Committee consists of 3 independent directors. Mr. Prawit Ninsuvannakul is a member with adequate knowledge and experience to audit the reliability of financial statements, by auditing the operation to ensure accuracy under the policies and regulations, laws, practices, and rules of the governing unit; supporting the development of financial and accounting report system to meet international standards; and ensuring that internal controls, internal audit and risk management are concise, appropriate, up-to-date, and effective. Audit Committee can perform the duties and freely express opinions.

At present, Mr. Anuwat Jongyindee performs audit work and reports the results directly to the Audit Committee, and also consults with the auditors, advisors and legal and accounting experts regularly. The Audit Committee holds auditors meeting without management, at least once a year, to solicit auditors' opinions on several matters about the Company's performance.

The Audit Committee consists of 3 persons as follows:

1. Mr. Prawit Ninsuvannakul
Chairman of the Audit Committee
2. Mr. Somchai Kongsala
Member of the Audit Committee
3. Mr. Apiporn Pasawat
Member of the Audit Committee

Term of the Audit Committee

The Audit Committee members are appointed for terms of three years. At the expiry of one such term, the Audit Committee member may be elected for another similar term.

The Scope of Authority and Duties of the Audit Committee

The Audit Committee shall assume the following duties:

1. Monitor and review the system of financial report and disclosure of information in financial statements to be in accordance with the Financial Reporting Standards as required by law explicitly, correctly and adequately.
2. Promote the development of financial report system to be in accordance with Thai and International Financial Reporting Standards.
3. Review the Company's Internal Control System to be in accordance with Internal Control Framework (COSO 2013) and Internal Audit suitably and efficiently as per the internationally accepted procedures and standards which are generally accepted.
4. Consider the "Assessment of the adequacy of the Internal Control System" as determined by The Securities and Exchange Commission and as audited and assessed by Internal Auditor to ensure that the Company has sufficient internal control system and propose to the Board of Directors for consideration.
5. Monitor the Company to exercise passive function useful for all work units in order to increase quality and efficiency to gain better performance.
6. Review that the Company's risk management process is effective and complied with international standards.
7. Review the Company's compliance to the securities and exchange act, rules, regulations and other laws relevant to the Company's business.
8. Review the Company's internal process about notification of possible dishonesty and receipt of complaints in order to prevent dishonestly in the organization.
9. Review that the Company processes its business, risk management, IT governance, as well as Information and Integrated Network Security effectively and complied with international standards.
10. Review related transactions or transactions of conflict of interests to comply with the laws and requirements

of the Stock Exchange in order to ensure reasonable and utmost benefits for the Company.

11. The Audit Committee evaluates results of the Audit Committee's overall performance and to self-assessment his/her own performance annually.
12. Propose for the appointment, monitor, review and comment on the performance of the Internal Audit Service Provider and co-ordinate with the auditors to confer such resolution upon the termination of Internal Audit Service Provider and co-consider the service fee with the management.
13. Monitor the evaluation of internal auditing performance of the Audit Service Provider to be in accordance with the international standard.
14. Prepare the report on transaction monitoring of the Audit Committee by disclosing in the Company's Annual Report. Said report must be signed by the Chairman of the Audit Committee and must consist of the following information:
 - 1) Comment on accuracy and adequacy of the Company's financial report.
 - 2) Comment on suitability of the Company's internal control system.
 - 3) Comment on compliance with the laws of securities and SET, SET's requirements or laws relevant to the Company's business.
 - 4) Comment on fitness of the Auditors.
 - 5) Comment on transactions with possible conflict of interests.
 - 6) Number of meeting of the Audit Committee and meeting attendance of each member of the Audit Committee.
 - 7) Overall comment and notice the Audit Committee obtained from the Company in line with conduct of duty by the Charter.
 - 8) Other transactions deemed to be known to shareholders and general investors under scope of duty and responsibility assigned by the Company's Board of Directors.
15. Consider, select and propose for the appointment of the competent and independent persons to be the Company's auditors, propose the remuneration and the termination of the auditors, evaluate the independence of the auditors and their performance effectiveness

and to convene joint meetings with the auditors at least once a year without the management.

16. Review and consider for approval the quarterly financial statements on behalf of the Company's Board of Directors and consider the annual financial statements.

17. Upon the Audit Committee being informed of the auditors' discovery of a suspicious circumstance that demeanors of the Managing Director or person(s) in charge of the Company's businesses offend Clause 281/2 - paragraph 2, Clause 305, Clause 306, Clause 308, Clause 309, Clause 310, Clause 311, Clause 312 or Clause 313 of the Securities and Exchange Act, the Audit Committee shall then be required to conduct the auditing process of such circumstance and report the preliminary result thereof to the Office of Securities and Exchange Commission and the auditors within thirty (30) days from the date of being informed by the auditors.

18. In case there should expose or exist reasonable doubt, during execution of the Audit Committee's duties, that following transactions or conducts might have an impact with significance upon the Company's financial status and result of performance, the Audit Committee shall be required to report to the Company's Board of Directors to improve and rectify within the period of time as deemed appropriate by the Audit Committee.

- 1) Transactions with conflict of interests.
- 2) Fraud or abnormality or error in materials in the internal audit system.
- 3) Violation of the laws of Securities and Exchange, SET's requirements or the laws relevant to the Company's businesses.

If the Board of Directors of the Company or the executives should fail to rectify or improve such the above within the period of time as defined by the Audit Committee, any one of the Audit Committee's members may then report such transaction or conduct to the Office of Securities and Exchange Commission or SET.

19. Review the propriety of corporate governance policy and guidelines.

20. Oversee and monitor the performance of the Company's Board of Directors to ensure their compliance with the Company's corporate governance policy and make recommendations on corporate governance to the Board of Directors.

21. Consider the Company's policy and practices of corporate governance to ensure its suitability to business operation.

22. Recommend to the Board of Directors for further improvement and keeping Company's policy and practice of corporate governance up-to-date.

23. Report the performance to the Board of Directors at least four times a year.

24. Review that the Company processes the efficient anti-corruption procedures conforming to the governance bodies' guidelines starting from promoting and raising the awareness, assessing the risks, incorporating the proactive preventive system, auditing, as well as reviewing the self-assessment form regarding anti-corruption measures as assessed by Internal Audit Office in order to ensure that the Company has exercised every anti-corruption systems as reported in the self-assessment form guided by Thai Institute of Directors (IOD).

25. To engage in other work tasks as assigned by the Company's Board of Directors with consent of the Audit Committee.

In performing the duties under the scope, the Audit Committee holds right to call or inform the management, head of the department or related employees to express opinions, participate in the meeting or submit related and needed documents, as well as seek for independent opinions from other occupational advisers as necessary. The incurred expense belongs to the Company.

The Audit Committee performs the duties within its scope of duties and responsibilities as assigned by the Board of Directors. The Board of Directors is responsible for the Company's operations directly to the shareholders, stakeholders, and public.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 members of the Board of Directors, all of whom are non-executives and one is an Independent Director. The Committee is responsible to set the nomination process of the Board of Directors, consider candidates who possess proper qualifications to be a member of the Board of Directors, study and consider the changes and tendency in remuneration for the Board of Directors and executives, propose the remuneration policy to motivate executives to better manage the Company's business and retain skillful and good personnel to work for the Company.

The Nomination and Remuneration consists of 3 members as follows:

1. Mr. Dhep Vongvanich
Chairman of the Nomination and Remuneration Committee
2. Mr. Somchai Kongsala
Member of the Nomination and Remuneration Committee and Independent Director
3. Mr. Somchai Wangwattanapanich
Member of the Nomination and Remuneration Committee

Term of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee members are appointed for terms of three years. At the expiry of each term, the Nomination and Remuneration Committee member may be elected for another similar term.

The Scope of Authority and Duties of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall perform the following duties:

1. Consider and review the qualifications of the candidates who will be a member of the Board of Directors if they match the Company's business operation strategies.
2. Set the nomination process of the Board of Directors nomination to replace the member that completes his term or in other cases.
3. Consider and nominate the candidates with proper qualifications to be a member of the Board of Directors, to replace the member that completes his term or in other cases, by selecting candidates of diverse qualifications, experiences, genders, and specific skills beneficial to the Company, to propose to the Board of Directors and/or the Shareholders' meeting for consideration.
4. Review the independency of the Board of Directors including any conflict of interests that may occur during the Director's duty and consider the appropriateness of the position in the case that the Board of Directors' qualifications change.
5. Consider the succession plan for the Managing Director position and propose to the Board of Directors for consideration.
6. Propose guidelines and methods for payment of remuneration to the Board of Directors and

subcommittees appointed by the Board of Directors, including annual bonus and meeting fee.

7. Propose remuneration policy for the Managing Director, including salary and annual bonus, that is in accordance with the operation results of the Company and the performance of the Managing Director on an individual basis, and, if the Committee deemed appropriate, the Committee could consider hiring a consulting firm for advice on remuneration package.
8. Evaluate the performance of the Managing Director and propose remuneration to be submitted and approved annually by the Board of Directors.
9. Consider the budget for raises and increases in salaries and other forms of remuneration, including annual awards for employees, and to annually submit proposals thereon to the Board of Directors for its approval.
10. Regularly consider, review, study, and monitor changes and trends in the remuneration for the Boards of Directors and Managing Director to propose to the Board of Director for approvals.
11. Consider the remuneration for the Boards of Directors, subcommittees, and Managing Director by comparing with the leading companies in the industry, so that the Company may continue to maintain leadership in its industry and provide motivation for ongoing progress in management.
12. Report on the progress and performance to the Board of Directors after every Nomination and Remuneration Committee's meeting.
13. Evaluate the results of the Nomination and Remuneration Committee's own work and inform the Board of Directors of the evaluation.
14. Review and propose to the Board of Directors any changes in the regulations concerning the Nomination and Remuneration Committee that would make its work more appropriate and up-to-date.
15. Perform any other duties assigned to it by the Board of Directors.

In performing the duties within the scope, the Nomination and Remuneration Committee holds the right to call, order the management, head of the department or related employees to express opinions, participate in the meeting or submit related and needed documents, as well as seek for independent opinions from other occupational advisers where necessary. The incurred expense belongs to the Company.

9.3 Nomination and Appointment of the Board of Directors and Executives

Independent Directors

The Company has three Independent Directors, which are Mr. Prawit Ninsuvannakul, Mr. Somchai Kongsala and Mr. Apiporn Pasawat.

Qualifications of Independent Directors in accordance with the Notifications of the Capital Market Supervisory Board;

1. Holding shares not in excess of one percent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by persons related to such Independent Director;
2. Neither a current nor former executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended for at least two years. However, this does not include the case where the Independent Director used to be a government official or an advisor of a government unit which is a major shareholder or controlling person of the Company.
3. Not being a person related by blood or legal registration as parents, spouse, sibling, and child, including spouse of child of other directors, executives, major shareholders, controlling persons, or persons to be nominated as director, executive or controlling person of the Company or its subsidiary company;
4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in a manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended for at least two years.

The term 'business relationship' under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance by

receiving or providing loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterparty being subject to debt payable to the other party of the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such debt shall be calculated based on the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such debt shall include debt occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. Neither currently is nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not currently is a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended for at least two years.
6. Neither currently is nor used to be a provider of any professional services including those of a legal advisor or financial advisor who receives service fees exceeding two million Baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not currently is a significant shareholder, controlling person or partner of the professional services provider, unless the foregoing relationship has ended for at least two years.
7. Not currently is a director appointed as a representative of directors of the Company, major shareholder, or shareholder who is related to a major shareholder;
8. Not undertaking any business of the same nature and in competition to the business of the Company or its subsidiary company, or not being a significant partner in a partnership, or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other companies which undertake business of the same nature and in competition to the business of the Company or its subsidiary company;
9. Not having any other characteristic which results in an inability to express independent opinions with regard to the Company's business operations.

After being appointed as an Independent Director with the qualifications as stated under 1-9, the Independent Director may be assigned by the Board of Directors to take part in the business decisions of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of a collective decision.

In 2015, three Independent Directors of the Company did not have any business relationship or professional services exceeding the amount set under the Notification of the Capital Market Supervisory Board governing the application for an approval and the approval for the offering of newly issued shares.

Nomination of Directors and Executives

Director Nomination Process

The Nomination and Remuneration Committee is responsible for nominating qualified individuals to occupy the post of directors who are retiring by rotation at the end of their terms or for other reasons, and proposing a list of nominees to the Board of Directors in order to seek resolution at the Shareholders' Meeting. The procedures of Directors Nomination are as follows;

- Selection of the Board of Directors according to Good Corporate Governance

The Nomination and Remuneration Committee is responsible for nominating qualified individuals to occupy the post of directors who are retiring by rotation at the end of their terms or for other reasons. Such individuals are to be proposed to the Board of Directors and/or the Shareholders' Meeting for election. The Nomination and Remuneration Committee select individuals who are qualified, have expertise in diverse fields, possess traits of leadership, vision, moral, integrity and transparent, unblemished resumes and are capable of expressing independent opinions.

- Screening Process for nominated individuals

In 2015, the Board of Directors agreed with guidelines defined by the Nomination and Remuneration Committee for recruiting qualified individual to be candidate for the Company's Board of Directors as the following attributes;

1. Required Qualifications of Each Director

The Nomination and Remuneration Committee should consider and determine the characteristics of those to be proposed as Director, for example;

- Meets the requirements to be a Director based on the SEC criteria
- Possesses good ethics and morals with honest, transparent and unstained work history
- Possesses leadership, responsibility, prudent decision-making skills
- Is a visionary and consistently keeps up with current global changes
- Has courage to speak up and expresses different and independent opinions
- Neither operates a business nor is a director/ executive of any organization in competition with the Company/its subsidiaries.
- Is able to devote time and makes profits for the Company
- Is able to work as a team and culturally blends in with other directors
- Is at a suitable age for being a director for a specified amount of time

2. Required Knowledge and Expertise of the Board of Directors

The directors should possess specialized knowledge and expertise in order to be able to efficiently determine strategies, policies and to ensure the implementation of such strategies and plans to take place accordingly; such skills include:

- Knowledge of the Company's business and its subsidiaries
- Knowledge of accounting and finance
- Knowledge/experience in organizational management, risk management, crisis management, or energy, safety and environmental management
- Knowledge/experience in operation production, marketing, international investment, laws, and government regulations relevant to the Company's business
- Capability to determine visions and strategies for the organization

- Specialized knowledge or expertise relevant to the Company's middle-term business plans such as information technology, research and development etc.
- Possession of experience, knowledge, expertise, or specific skills that can enhance the effectiveness, knowledge and experience of the existing committee

3. Diversity of Directors

In addition to the two attributes as mentioned above, the Nomination and Remuneration Committee might take into consideration the diversity of the Board of Directors' attributes, for example; individuals who come from various stakeholder groups, have different educational backgrounds, age, gender etc.

List of individuals who are capable of being chartered Directors from reliable organizations will be taken into account for the nomination of directors who are retiring by rotation at the end of their terms in 2016.

Rules and Procedures for the Election of Directors

1. In the nomination of individuals to be elected, in the shareholders meeting, as Directors to replace those whose terms have expired, the Nomination and Remuneration Committee shall select the individuals and propose to the Board of Directors before proposing to the Shareholder's Meeting. Every shareholder is equally entitled to nominate other individuals. The shareholders are authorized to elect any individual as a Director.
2. Every shareholder shall have votes equal to the number of shares held; one share bearing one vote.
3. Each shareholder may exercise all the votes he has to appoint one or several persons as Directors; however, he shall not divide his votes for any such persons to any extent.
4. The candidates shall be ranked from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. In the event of equal votes among the candidates last so appointed, making the number exceed the set number of Directors of the Company, the presiding Chairman is entitled to cast a final vote.

Nomination of Executives and Succession Plan

The Company has an appropriate and transparent nomination plan to select an individual to assume an important responsibility, so as to ensure that the Company will obtain a professional executive who is able to execute independently from major shareholders as well as other shareholders. The Nomination and Remuneration Committee is responsible for making a succession plan for the post of Managing Director and it is to be proposed to the Board of Directors for consideration. The nomination process starts from a selection of individuals who are talented and good for the job. It focuses on recruiting young talents. All of them are prompted and prepared for an opportunity to become a leader in the future. They have to pass the high potential evaluation process and everyone is developed through an Individual Development Plan. Challenging tasks are given, as well as circulating the tasks, so as to develop leadership skills and proficiency. The Individual Development Plan is used for the staff of all levels so each of them is prepared and prompted to fill a vacant post.

9.4 Control of Subsidiary and Associate Company

In order to perform the governance of the Subsidiary and Associate Company according to the Company's business policy, the Board of Directors establish mechanisms to control the operation and are responsible for the Subsidiary and Associate Company's operations through delegating to and authorizing the Managing Director to control and operate the matters on behalf of the Board of Directors. For example, he is responsible for considering an individual for the Company's representative to be Director, Executive or the controlling person, and then the result is reported to the Board of Directors.

The number of individuals who will be the representatives of the Company is based on the proportion of shareholding in the Subsidiary and Associate Company. However, for reasonable protection of interest related to the Company's investment, the Managing Director is required to presents the performance of Subsidiary and Associate Company in the Board of Directors' Meeting for every quarter.

Moreover, to enable the Company's representative to appropriately control the operations of Subsidiary and Associate Companies according to the Company's

business policy, authority and responsibilities related to determining significant policy of Directors and Executives who will be the Company's representatives are determined through making a handbook for the Subsidiary and Associate Company. The handbook allows the representatives to perform their tasks conveniently. The Company shall review the handbook regularly, in accordance with each Subsidiary Company and Associate Company in the country and overseas.

The control mechanisms related to the disclosure of financial information and performance, transactions between Subsidiary Companies and/or Associate Companies and related persons, acquisition and disposition of assets, or significant and complete transactions appear in the regulations of Subsidiary Company and Associate Company. It is determined that the transactions or operations as mentioned above are to follow the rules and approaches as stated in the Regulations of Stock Exchange of Thailand as determined and enforced.

In addition to the handbook which ensures the efficiency of operation, the Audit Committee who are the controlling persons, may also evaluate the performance of the Control, risk management and internal control of the Subsidiary and Associate Company. The evaluation plan is based on each company's risk (Risk-based audit planning), and it is done through the audit and evaluation of internal control system, efficiency of performance and financial statement. Moreover, the Audit committee makes a resolution for the Business Self Audit in order to create a preventive system before any error occurs for the Subsidiary and Associate Company's application. It emphasizes on the consideration of holistic process to add value for the organization. The Company and auditors cooperate to evaluate the risk, determine the internal control and warning signs and report them for follow up. When the risk is changed, the internal control has to be adjusted accordingly. The evaluation results are presented to the Board of Directors' meeting and used for further risk monitoring plan. An external auditor presents the results of internal control to the Audit Committee regularly and quarterly.

The most significant aspect in the management between the Company and other investors for Subsidiary and Associate Company's efficient and effective business conduct, both parties have to understand various aspects such as dividing the responsibilities, possessing the controlling authority, sharing of benefits accurately and fairly, etc. Therefore, the Company has made an agreement

with the shareholders (Shareholders' Agreement) and the Company respects the investors' rights, treats all of them fairly and cooperates with them for the success of the joint venture.

9.5 Controlling the Use of Inside Information

The Company emphasizes on the use of insider information that has not been disclosed to the public or could affect the Company's stock price for inappropriate personal or the other's benefits. The Insider Trading has been clearly defined in written form in the Company's Code of Conduct and the employee's regulations, as a guideline for related parties referring to the Board of Directors, executives and staff in related departments, including their spouse and child who is under legal age according to the Corporate Governance Policy and Good Corporate Governance as stated in Equal Treatment of Shareholders section.

9.6 Remuneration of Audit

In the previous accounting year, the Company and its subsidiaries have paid the remuneration of audit in a total of 3,769,000 Baht to KPMG Phoomchai Audit Co. Ltd., which is an audit firm appointed as the Company's auditor for the year 2015.

The audit firm and its auditors do not have any relationship or interest in the Company, its subsidiaries, executives, major shareholder or their related persons.

Remuneration of Audit in 2015

1. Company's Audit Fee	
- Annual Financial Statement Audit Fee	854,000 Baht
- Audit Fee of Quarter Financial Statement and Consolidated Financial Statement for the Company and its subsidiaries.	305,000 Baht
Total Company's Audit Fee	1,159,000 Baht
2. Audit Fee for subsidiaries	
- Six domestic companies	1,431,000 Baht
- Four overseas companies	1,179,000 Baht
Ten companies in total	2,610,000 Baht

Total Remuneration of Audit Fee for the Company and its subsidiaries.	3,769,000 Baht
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Other non-audit fees

The Company and its subsidiaries have paid fees for reviewing the compliance with condition of the BOI promotion certificate in a total amount of 530,000 Baht to the audit firm the auditors worked for.

9.7 Compliance of Good Corporate Governance related to other matters

In addition to the Compliance of the Principle of Good Corporate Governance for Listed Companies 2012 determined by 5 sections as mentioned above, the Company has other guidelines related to the Good Corporate Governance as follows;

The Company's Code of Conduct

Founded in 1966, the Company has had a strong intention to conduct its business through honesty and morality, under the ideology; "Standing Firm in Honesty, Adherence to Morality, Dedication to Excellence".

After the business structure reform by consolidating with The Siam Cement Public Company Limited as a part of the chemical products, The Siam Cement Public Company Limited's Four Core Values and Code of Conduct have been recognized by the Company and its subsidiaries and they have been promoted in order to make employees from all levels follow the Four Core Values as follows;

"Adherence to Fairness, Dedication of Excellence,
Belief in the Value of the Individual,
Concern for Social Responsibility"

Moreover, the Company has determined the policy of protection and fairness provision to the staff that reports or provides helpful clues concerning fraud cases, failure to comply with laws or regulations, the Company's Articles of Association, the Code of Conduct, and the Anti-Corruption Policy (Whistleblower Policy). A Committee is formed to determine the policy and give advice related to compliance with the Code of Conduct's. Such Committee consists of executives from various departments responsible for following up on the performances and giving related advice. A channel is provided for the staff to express their opinions and ask questions related to the Code of Conduct through the Company's website.

In order to raise the awareness for the Code of Conduct,

the staff from all levels are educated and encouraged to follow the Company's Code of Conduct. They are inculcated with good moral traits at the beginning, through the Code of Conduct's handbook, in addition to those posted on the website. The handbook is given to all new employees and the principles and guidelines are explained to enable staff to understand and strictly adhere to them. It's an important factor for their annual performance evaluation.

Anti-Corruption Action

The Board of Directors has implemented "Anti-Corruption Policy" in 2014 in which the Company had previously been following the Anti-Corruption policy given by its parent company, and the management has always been attentive to this issue. In 2015, the Company has conducted numerous activities and devised additional measures to ensure that it is operating in accordance with Anti-Corruption policies. The Company also prepares to obtain certification from the Thai Collective Action Coalition (CAC) which is consistent with its commitment to following the principles of good governance and determines to act according with the 4 ideologies: "Adherence to fairness, Dedication to excellence, Belief in the value of the individual, Concern for social responsibility" that contribute to honest, transparent and verifiable practice, especially the implementation of "Anti-Corruption Policy" (downloadable content at www.thaiplastic.co.th) that the Company has announced to be in effect. The key points of the policies are as follows

Anti-Corruption Policy

Directors, Management Team and the employees are prohibited from operating or accepting every type of corruption both in direct or indirect manner covering every business and related departments in every country. The Anti-Corruption Policy is needed to be reviewed regularly, including with a possible revision of such policy and implementation in order to accord with business changes, regulations, standard and laws. The definition of "Corruption" is clearly defined for accurate understanding as follows;

Scope of "Corruption" used in this policy refers to any type of bribery such as an offer, promise, guarantee, inquiry or acquisition of money, asset or other inappropriate benefits to or from the government officers, government sectors, private sectors, or responsible person either in direct or indirect action so that such person could proceed or disregard his/her function in order to acquire, retain the business, recommend specific company to the entity,

or achieve or retain any improper benefits in business transaction. Exception shall be applied to cases in which the laws, regulation, statement, standard, custom or business traditions permit them.

In accordance with the Anti-Corruption Policy and Self-Evaluation Form related to the Anti-Corruption measures of IOD, the Managing and Audit team offer advice to various departments. As the results, they are able evaluate the risk and its effect on current and future operations of a department or activity with high risks of committing corruption such as the Procurement, Project department, Sales and Marketing, Administration, Human Resources, Accounting, etc., in order to reduce, correct and manage such risks. Furthermore, additional Anti-Corruption compliance evaluation forms are created to allow employee to perform Self-Assessment for duties which are at high risk of corruption.

Anti-Corruption guidelines and responsibilities of employees from each level according to the Anti-Corruption Policy

- The Board of Directors, the Management Team and the employees from all levels must follow the Anti-Corruption Policy and the Company's Code of Conduct. They must avoid getting involved with any course of corruption in a direct or indirect manner.
- The employees shall not be negligent in any corruption cases involving the Company and must notify such actions to supervisors or responsible persons, including assisting the investigations. Any queries or questions are needed to be consulted by the supervisor or a responsible person who monitors the Company's Code of Conduct compliance through various channels as determined.
- The Company shall provide fairness and safeguard for the employees who deny or inform corruption cases related to the Company by applying Protection Policy for appellants or persons who incorporate with Anti-Corruption information. The employees are able to appeal the matter through the Company's Intranet. For a third party, it can be appealed through the Company's Website. (www.thaiplastic.co.th)

Moreover, the Company has expressed its intention to promote and expand this idea to its suppliers and collaborated with them to work on the principle and idea of being good citizens, together with governing

the business for community, society and environment to amplify the impact on a wider scale in order to educate the suppliers on the Code of Conduct. The suppliers are able to use it as guidelines beneficial for their business operation and to create a sustainable society and environment. Previously, only suppliers whose trading values are over 1 million Baht have signed for acknowledgement, for which the Company continued doing so in 2015. It has since expanded to gain the signature of every supplier. Currently, every supplier has signed for acknowledgement, and based on the good feedback, the Company is confident that it can promote good corporate citizenship for society.

Communicating, promoting, educating and ensuring that all staff understand the Anti-Corruption Policy

After the Anti-Corruption Policy has been announced, in 2015, the Company has continuously communicated and promoted the policy to ensure that the Directors, Executives and employee understand the policy through various mechanisms, for example;

- Created the operation assessment Anti-Corruption Compliance as an indicator/ sign that may contribute to corruption and methods to reduce and control the risks (Risk Mitigation and Control) both in the system itself and in operation procedures. This assessment application was a tool created for employees in high risk departments such as project sales and procurement, to perform Self-Assessment and raise work awareness to mitigate the chance of corruption.
- Conducted activities to educate, raise awareness and prevention in corruption; there is an activity called "Preventive Pack Three" which consists of:
 - 1) An assessment "Ethic e-testing" that includes issues on the Company's ethics, 4 ideologies, moral, and Anti-Corruption Policy. The assessment consists of content for employees to learn and understand the practice guidelines. The employees will be required to sign for acknowledgements and take a test in which they have to score a 100 percent to pass
 - 2) Risk management and effective control with 3-level prevention (Three Lines of Defense)
 - 3) Compilation and communication of major case studies in corruption

- Evaluated the internal control for 2015 regarding corruption in accordance with COSO 2013
- Held a Workshop for the Management team of the Company to educate on accurate implementation and to offer a Role Model to staff from all levels
- Publication and communication for better understanding of ethical guidelines and Anti-Corruption Policies for every employee to follow. The policies are also made into a video clip. The content is about how to follow the guidelines and Anti-Corruption Policy.
- Managing Directors met the staff to explain various information including the Anti-Corruption Policy and offer them the opportunity to pose questions

Monitoring for Compliance of Code of Conduct and Anti-Corruption Policy

The Company determines that the Directors are responsible for determining policy and governing a system that effectively supports the Anti-Corruption Act. Managing Directors are responsible for forming such system, promoting the Anti-Corruption Policy and communicating with all employees and related parties for accurate understanding and practices. This includes reviewing systems and regulations to best adapt to business changes, regulations, standards and laws regularly. An employee who commits an act of corruption or violates the Anti-Corruption Policy and the Company's Code of Conduct shall be imposed for disciplinary offence as determined by the Company, and punished according to the laws if such action is against the law. Moreover, the audit team shall evaluate the Good Governance, compliance of the Company's Code of Conduct and Anti-Corruption Policy every time there is a termly audit. The results shall be reported to the Board of Directors every time there is a meeting.

Protection policies for informants who report clues or information regarding corruption or non-compliance of laws, regulations, rules, Code of Conduct and Anti-Corruption Policy (Whistleblower Policy)

The Company recognizes the importance of good governance and allows employees and stakeholders to report or give information regarding any irregularity in the Company's business practices via several designated channels. In 2014, the Company provided additional

channels for the reporting of corruption acts, aside from the sending of letters or emails, in the event that an employee discovers an action that violates the law, the rules and regulation, the Good Governance policy, commits an act of corruption, or an action that violates the Company's Code of Conduct.

As such, to assure employees and stakeholders, that provision of such information will not affect them in anyway, the Company has provided protections and mitigations for any damages suffered by a reporting person, such as being treated unfairly, threatened or bullied. The investigating team will be in charge of the system's security and provide an independent server exclusively for employees to file complaints via the Company's Web Intranet. The complaint shall be deemed top secret. The complainants do not need to disclose their own identity. However, if they do disclose their own identity, this would allow the Company to report the outcome of the investigation or additional information. Any false complaint that causes damage to other people shall be deemed a disciplinary offence. An external stakeholder is able to report on such matters through the Company's Website (www.thaiplastic.co.th). The complainant is able to follow up the outcome through the system which is a significant tool to control and stop the corruption. The investigating team shall be responsible for the system's security. In 2015, none of the complaints related to the corruption was reported.

10. Corporate Social Responsibility

10.1 Sustainable Development Policy

The Company upholds the Sustainable Development Policy of Siam Cement Group Public Company Limited or SCG, the parent company, as guidelines for the corporate social responsibility. This includes the improvements in manufacturing process designed to reduce the use of natural resources, develop environmentally friendly products and services, as well as create strong communities. At the same time, this strategy is aimed at enhancing the potential of employees and partners to improve work process under the principles of good governance. The Company places great importance in building stronger societies and developing better communities in every place where it operates, both domestically and internationally. For example, the 'Sharing the Dream' program offered scholarships to good students who maintain academic and moral excellence in Indonesia and Vietnam. The 'Chung Uoc Mo Xanh' program in Vietnam also raised environmental awareness among children and teenagers by allowing them to express their opinions through activities and excursions on environmental management.

10.2 Corporate Social Responsibility Activities during the Year

The Company encouraged communities in its plants' vicinity to engage in various activities joined by the government, manufacturers and communities in improving the quality of life, and to work towards the goal of establishing sustainable cooperation and collaboration. Every year, the Company organizes an Open House for community's representatives to visit plant to understand green process. Community are

encouraged to provide suggestions and advices for projects or activities dedicated to maintaining and improving the quality of life in the nearby communities. The dialogue and group activities were held for participants to share thoughts and seek cooperation in designing the quality of life improvement plans.

In addition, the Company's executives are encouraged to visit the communities (One Manager One Community: OMOC) to collect direct information, feedback, and suggestions from the locals. All feedbacks were used to design activity plans to meet the communities' needs. The engagement of communities throughout the process will be the main focus of each activity.

The Company continues to work with a wide range of communities and organizations in arranging social activities to develop careers and improve the quality of life for the locals, as well as to ensure an environmentally sustainable place for everyone to live in.

Son Krasip Beach Development Project

Together with Map Ta Phut Municipality, Rayong Provincial Administration, and Ban Nong Fap Community, the Company has arranged the annual activities to develop Son Krasip Beach to be beautiful tourist attraction of Rayong Province, which fully equipped with utilities, security system and local business.

In 2015, the Company visits Son Krasip Beach quarterly to improve its landscape by collecting trashes 1,000 kilograms approximately. Also, 200 sea crabs releasing activity was also added to restore and improve the diversity of the ecology on Son Krasip Beach, which would increase food sufficiency for the community.

Integrated banana product for community project

Inspired by the idea to promote green space and environmental awareness, the Company encouraged communities to create jobs and generate income from banana farming.

The project was started in the Islamic community since 2009. The locals are encouraged to plant banana for human and animal foods or process them for sales as products in order to reduce expense and increase income, while adding green space in the communities.

The successful project has been expanded to 33 communities by the end of 2015, including temples and schools in Map Ta Phut Municipality and Tambon Ban Chang Municipality.

Also, the Company has established the Education Center for Community Enterprise Development to provide training in bananas processing, which will help participants to create local quality products such as crisps and jam for sales. The quality and flavor were also enhanced consistently to add value to the products, which have become best sellers across communities – Map Chalut to observe activities in

Samut Songkram province and learn the production processes and quality flavoring formulas. This activity is promoted and supported to register as an OTOP (One Tambon One Product) item, which has granted 3-star. The Company also helps in developing the modern packaging and introducing the marketing channels to sell the products in its affiliates via the community marketplaces. In the present, the group's products are well-known in the markets and have sustainable growth.

Nearby Community Development Project

Apart from ecology restoration and economic stability support projects, the Company also holds many community development projects, such as, temple painting project. In the project, the Company and its employees together renovated the chapel walls of Chaklookya temple, Rayong province. Old deteriorated paint was rubbed out, cleaned, and the new paint was applied on the walls and the landscape was improved. There was also Dreams for Kids project, in which the Company held recreation activities and a lunch party for children in the Children and Juvenile Training Center, Rayong province. The Company managed all the activities under the SCG core value: Concern for Social Responsibility.

*Son Krasip Beach
Development Project*



*Nearby Community
Development Project*



*Integrated banana
product for community project*



11. Internal Control, Internal Audit, and Risk Management

11.1 Internal Control

The Company's vision is to operate business and maintain leader in Vinyl business in ASEAN region. The Company invests in business from upstream to downstream to increase value of the business. Being the leader in this business, the Company must have the efficient and effective corporate governance, risk management, and internal control system according to the international standard both on operations and IT system. The Company has the Audit Committee who is responsible for review the company's corporate governance policy, risk management, legal and regulatory compliance, internal control and internal audit according to the following international standards:

- Corporate Governance reference organizations: Organization for Economic Co-operation and Development (OECD)/ Stock Exchange of Thailand (SET)/ Thai Institute of Directors Association (IOD)
- Risk Management Reference: COSO Enterprise Risk Management/ISO 31000
- Internal Control Reference: COSO Internal Control Framework 2013/COBIT

The Board of Directors, the Audit Committee, and the Management have formulated internal control system to comply with COSO Internal Control Framework 2013 (COSO: The Committee of Sponsoring Organization of Tradeway Commission). In agreement with this, the Internal Audit Office assessed the adequacy of the Company's internal control system according to Securities and Exchange Commission's assessment form and submitted the result to the management and the Audit Committee for consideration and approval

prior reported to the Company's Board of Directors in the 144 board meeting (1/2016) on 26 January 2016. The meeting was attended by 3 independent directors (and/or 3 members of Audit Committee).

The Board of Directors considered all items in the assessment by asking for more information from the auditing committees, the Management, and the Chief Internal Auditor. By this consideration, the company has adequacy and effectiveness of internal control system for the company's operations, safeguard of assets, and efficiency of resources utilization. There was no material deficiency found in internal control system.

The Company has set up to raise awareness on the corporate governance, risk management, legal and regulatory together with policies and procedures compliance, and internal control (GRC) among the Management and staff. By consideration from the Board of directors, the company has sufficient number of personnel for GRC implementation, along with adequate internal control systems for monitoring of subsidiaries' operations, safeguarding of the Company's and subsidiaries' assets against the misuse or unauthorized act by the Directors or the Management, and against transactions that might result in a conflict of interest or connected transactions.

The Management as the director under the Board of Directors supported, have developed various tools in response to constantly changing risks to ensure proactive preventive systems for domestic and overseas businesses. In 2015, the management approved the relevant governance/internal control principles or tools as follows:

1.1 Preventive Pack Three

The Company has expanded the investment both domestically and internationally. The key factor that enables the organization to achieve the desired target and operate sustainably is “employees” who stand for integrity and be ethical in practice to promote moral ethics and code of conduct in workplace. The company has set proactive preventive system “Preventive Pack Three” including:

1.1.1 Ethics e-testing: for encouraging employees to learn, understand and put moral, ethics, code of conduct and anti-corruption policy into daily practice. Every employee has to study, sign for acknowledgement and pass the test by 100% score. Currently, all employees have already passed.

1.1.2 Risk Management and Internal Control Responsibilities through “The Three Lines of Defense” model (widely accepted in the international standard): the Company provided guideline to determine objectives, roles and responsibilities together with sample of risk and relevant internal control in each business operational system; through communication and workshop to the Management for further enhancement and communication with the employees to understand their roles, as well as work in collaboration with their colleague, supervisors, business-enabling & supporting functions and the Internal Audit Office.

1.1.3 Sharing case studies in areas of fraud and non-compliance with laws and regulations, policies and procedures and code of conduct: for communication to every employees and prevention of repeated cases.

1.2 Anti-Corruption Compliance Evaluation Checklist

The Company introduced the anti-corruption policy in 2014, apart from the Institute of Directors (IOD)’s “Self-Evaluation Tool for Countering Bribery” “Anti-corruption Measures Self-assessment Form”. To strengthen the Directors’ and the Management’s

confidence, the Company implemented the Anti-Corruption Compliance Evaluation Checklist for business functions with high corruption risk to self-assess risks and set up controls again corruption.

1.3 Risk Management and Control Guideline for Investment Project

The Company has project investments in both domestic and overseas. Each project invests with a large amount of money and in certain period of time. For reducing risk and increasing efficiency in project management, the Company has prepared the Risk management and control guideline for investment project for employees to use as operational guideline. The guideline shows steps of process, risks, controls and monitoring from the beginning till the end of process for project management.

1.4 Business Self Audit

The Audit Committee supervises the internal control efficiency to raise the awareness for business to conduct preventive risk mitigation against business uncertainties. The Company has operated in a period of time and in compliance with COSO Internal Control Framework 2013. The Internal Audit Office enhances risk management and internal control awareness to operational functions, business-enabling & supporting by conducting workshops. Moreover, they also followed up and assessed the adequacy and efficiency of internal control and responses towards risks to support the achievement of the Company’s objectives.

1.5 Information Technology Governance and Security Assessment: Infrastructure and Network System

1.5.1 Recently, information technology system is the key factor for business operation; starting from business planning, setting up strategy and providing prompt information for decision making for serving business expansion and dynamic changes. Therefore, the Company needs to use advanced and complicated computer system and technology. There is also an IT Governance Committee from the parent company who is responsible for the oversight of the

use of IT system to achieve maximum benefits and security by recognizing of risks of rapid changing in technology, infrastructure and network security, as well as the use of information system for business management. The Company uses the service from Information Security & Compliance Unit of the parent company to oversee the Company's infrastructure and information technology system. Additionally, the Company engaged external professional to performed security assessment: infrastructure and network system, having IT Audit team and the Company's IT team join and share their experiences to develop and continually perform an evaluation of system's security to the Company.

1.5.2 Since most business communication in the present is done via e-mails, the information thereof from both customers' and sellers' sides is threatened to be hacked, resulting in enormous damage. To minimize those risks, the Company announced "Guideline to provide defense against losses from commerce email hacking" to educate and communicate to employees, customers and business partners.

1.6 Development of Continuous Monitoring & Continuous Auditing for the Business

After the implementation of SAP ECC 6, every section in the Company can generate Continuous Monitoring & Continuous Auditing report to use as a tool for analyzing, tracking irregularities in timely manner, at the same time, enhancing the effectiveness of internal control system together with business operations.

1.7 Whistleblower System

The Company has developed the whistleblower system which is connected to the parent company for the employees to report non-compliance with corporate governance, code of conduct, rules, regulations, laws, and anti-corruption policy as well as cheating. The employees can report through TPC Intranet webstie. The reporters can also follow up the results through the system. This system helps to promote ethical business conduct on a sustainable

basis. The system's security is closely monitored and maintained by the Internal Audit Office through the use of two steps password verification and a separate server from other operations. These measures help to ensure data security and prevent data leakage.

2. Internal Audit

The Audit Committee supervises the operation of the Internal Audit Office that provide independent impartial, ethical and expert in line with the International Standard for Professional Internal Audit Practice (The Institute of Internal Auditors: IIA) and International Information Technology System Auditing Standard (Information Systems Audit and Control Association: ISACA and Global Technology Audit Guide: GTAG). The Audit Committee Charter and the Internal Audit Office Charter clearly stated the missions, scope of work, authority, duties, and responsibilities, as well as auditing guidelines which would be reviewed annually for any update.

Apart from risk-based audit planning, the Internal Audit Office continually developed audit projects by emphasizing proactive and preventive system's setting up for value creation to the Company aside from providing Assurance Service and Consulting Service. The key action plans in 2015 were summarized as follows:

2.1 Creating the Sustainable High Value Services

To promote comprehensive corporate governance, risk management, laws & regulations' compliance and internal control, the Internal Audit Office performed as follows:

2.1.1 Implementation of Three Lines of Defense model

Creating awareness, encouraging risk management and internal control responsibilities through "The Three Lines of Defense" model by communicating and conducting workshop to the management, supervisors and employees to understand their roles, as well as working in

collaborate with business-enabling & supporting functions (Second Line) e.g. Risk Management function, Compliance function and Business Self Audit team for integrated work and exchange internal control perspectives to add value to the Company.

2.1.2 Assessment of Internal Control Effectiveness according to COSO 2013

The assessment of the Company's internal control effectiveness and efficiency was in agreement with COSO 2013 to reach 3 objectives, compose of operations, reporting and compliance. This also corresponded to Adequacy of Internal Control Assessment form raised by the Securities and Exchange Commission (SEC). The assessment result was submitted to the Audit Committee and the Board of Directors for consideration prior disclose in the Annual Report and Annual Registration Statement (Form 56-1).

2.1.3 Risk and Internal Control Assessment for New Business Operational System

The Internal Audit Office performed risk and internal control assessment for new operational system in the Company and its subsidiaries such as Solution project etc. Once the improvement point was raised, the auditor will clarify, conduct workshop, provide the practical recommendation and monitor the performance result after the consultation. Additionally, the Internal Audit Office emphasized on safety and environmental audit to reduce Safety, Health and Environment (SHE) risk which is one significant risk in the Company risk categories.

2.1.4 Setting up Overseas Internal Audit Teams

In 2015, the Internal Audit Office had the Vietnamese and Indonesian internal auditors who assess the efficiency and effectiveness of governance, risk management, laws®ulations compliance and internal control in the Company and its subsidiaries' business in overseas. The auditors are under the supervision of the Internal Audit Office in Thailand including policy and

standard practices. Having foreign auditors will reduce risk incurred from culture, language, laws and regulation barriers.

2.1.5 Information Technology Audit

As the Company has rapidly expanded the businesses in both domestic and overseas, and had changed operating system specifically for each business unit. Therefore, the Company needs to use new core IT system to support business operations by using the service from the parent company that has continuously developed important information technology systems. In this regard, representatives from the Internal Audit Office were appointed as consultants to advise the appropriate control points and testing of control system. After the system is completed, IT auditors will carry out the testing once again.

2.2 Evaluation of the Internal Audit Office's Performance

The Internal Audit Office set criteria for auditees' satisfaction evaluation to ensure effective audit performance in accordance with the internal audit policy and plan. The Key Performance Indicators (KPIs) for assurance service was set not less than 85% for each audit project whereby the 2015 performance result showed 93% satisfaction level. The outcomes were presented to the Audit Committee each year and kept as supporting information for further improvement.

2.3 Developing Auditors' Competencies

To promote professional and business competent for internal auditors, the Internal Audit Office performed as follows:

2.3.1 Internal Audit Competency Review

In 2015, the Internal Audit Office reviewed the soft side of the internal audit competency to enhance the professionalism aside from business knowledge and the international standards of professional practice. The review was conducted by auditors in conjunction with their supervisors and prepared Individual Development Plan (IDP).

After that, the Internal Audit Office organized training courses and seminars on professional auditing and other training in association with the Company's business for auditors.

2.3.2 Internal Audit Global Knowledge Development

- Keeping updated on best practices in good corporate governance, risk management, laws & regulation compliance and internal controls among leading audit professional institutes both locally and internationally, and applied appropriate practices in line with the Company's business.
- Encouraging the internal auditors' development through continuous training both internally and externally to be well equipped with knowledge, competence and expertise in internal auditing, as well as other skills needed by the Company.
- Promoting and supporting the internal auditors to become certified as professional internal auditors or to attain other related professional certification. In 2015, the Internal Audit Office had been certified by 55% of total auditors, which exceeded the KPI of 40%.

2.3.3 Business Knowledge Development

- Developing business acumen for internal auditors by inviting experts from each business unit and external experts to share and discuss on current business trend and major business changes for auditors to better assess risks and to provide practical advisory.
- Having a policy to recruit personnel with knowledge and expertise to serve as internal auditors. On the other hand, the internal auditors are rotated to other sections for broadening experiences.
- Regularly arranging knowledge sharing on interesting issues or substantial findings in the audit work.

2.3.4 IT Knowledge

- Applying IT knowledge to support the audit process, develop data analyzing tools for prompt monitoring of the warning signal/red flag which mitigate risks from operational errors and business frauds.
- Supporting internal auditors to develop IT auditing skills for enabling them on effective auditing and recommendations according to IT Audit International Standard. For example, it encouraged personnel to obtain the Certified Information System Auditor (CISA).
- Developing IT auditing expertise in security assessment of infrastructure and network system by organizing knowledge and experiences sharing sessions by external professional, who performed the security assessment of infrastructure and network system.

2.3.5 Integrated Audit Development

The Internal Audit Office continuously promoted integrated auditing by setting up a team, comprised of both business and IT auditors, to assess risks, make suggestions on improvements, and monitor any irregularities through the use of IT tools to enhance audit efficiency.

12. Risk Management

Risk management is a vital process that enables the Company to achieve its objectives and goals; the more risks that can be identified in advance, the further the impact can be reduced and the more business opportunities can be seized. Moreover, effective risk management also plays an important role in investment decisions. That said, all of the above will lead to the creation of value-add for the organization, shareholders and other stakeholders as well as contribute to the Company's sustainable growth.

12.1 Risk Management Framework

The Company has modernized and improved its organizational risk management framework (Enterprise Risk Management Framework) to conform to the international standards. The Company has also conducted intensive training and instructed all employees and relevant parties to follow accordingly, which will consequently add values to the entire value chain and create a risk management culture for the entire organization. This is to enable the Company to rapidly respond to changing operational environments

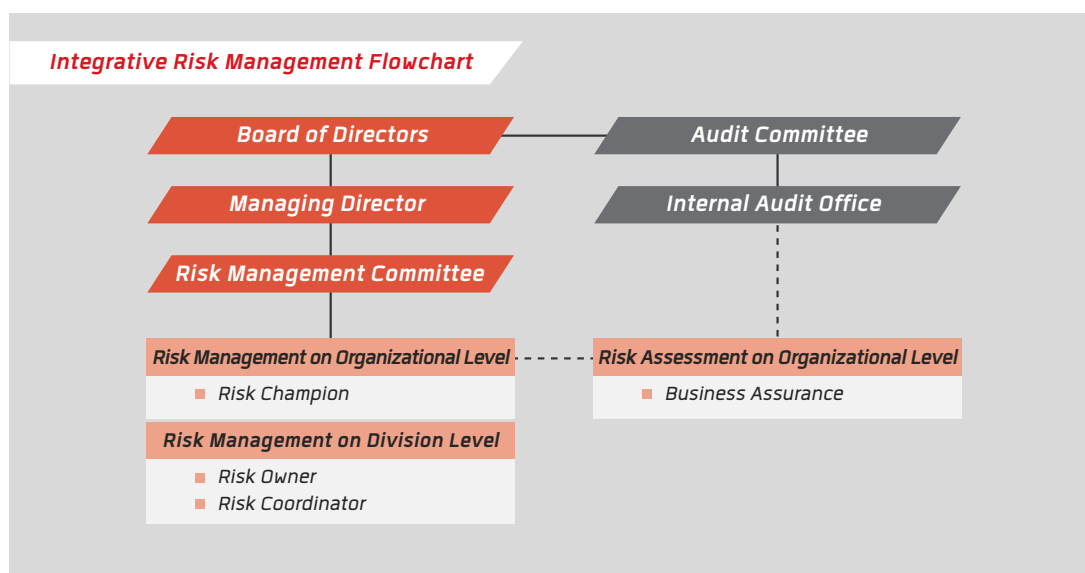
in a timely manner and to promptly intervene before it becomes a major problem. It also enables the use of risk itself to identify new business opportunities, both domestically and overseas. The risk management framework includes:

1. Strategy Establishment

The Company defines explicit objectives and acceptable levels of risks (Risk Appetite) in risk management, in an attempt to universalize it within the organization.

2. Structure and Responsibility in Risk Management

For consistent risk management, the Company has established a committee to specifically handle such tasks (TPC Executive Enterprise Risk Management) with the Managing Director as Chairman to oversee and monitor the risk management endeavor in every aspect. In addition to this, it also supports and monitors administrative duties (Compliance). The structure of risk management is illustrated in the chart below:



Board of Directors and the Audit Committee

The Audit Committee, on behalf of the Board of Directors determines the policies and ensures that the risk management processes are effective and efficient. Moreover, the Audit Committee reviews and ensures that the Company has risk management procedures inclusive to all aspects and consistent with the international standard. According to the Charter of Audit Committee, the Audit Committee assesses the Enterprise Risk Management Committee managing duties independently with emphasis on practical implementation. The committee also follows up to keep risk appetite level in check as well as regulate and communicate the organization for appropriate counter measures in a timely manner.

Risk Management Committee

Risk Management Committee consists of the Managing Director and executives from all divisions, with the Managing Director as the Chairman of the committee.

Its main responsibilities are as follows:

1. Improves and determines structure of risk management and person-in-charge of risk management
2. Considers and approves policies, strategies, and risk management framework and plans
3. Reviews the risks and monitor risk management process of the whole organization
4. Summarizes and reports the risks and managing process to the Audit Committee

Internal Audit Office

Internal Audit Office is responsible for evaluating and verifying the effectiveness and efficiency of existing risk management process as well as encouraging the Company to have risk management process that is up to international standard, able to identify significant risks, contain appropriate measure index, able to assign risk warning signal and effectively manage any emerging

risk. The Internal Audit Office will report the evaluation results to the Audit Committee for approval. In addition to this, the office also regularly communicates voices from the Audit Committee back to the Risk Managing Committee and operation officers to further improve and develop the Company's risk managing procedures.

2.1 Enterprise Risk Management Committee

Enterprise Risk Management Committee consists of all high-level executives from the Company's subsidiaries and associates to determine the direction, policies, objectives and strategies to managing risks that may significantly and widely affect the Company's business operation. Also, the executives will be assigned as members of the Committee and collaborate with departments from Siam Cement Public Company Limited and SCG Chemicals Company Limited. They will be appointed to be responsible for different matter for direct management and closely monitoring. For example

2.1.1 Sustainable Development Committee – determines policies and guidelines to achieve sustainable development in safety, occupational health, environment, social welfare and community affairs based on international standards as well as monitor relevant indices and any potential risks, and report them to the risk management committee, the Company, and the Board of Directors.

2.1.2 Crisis Management Committee – assigns strategic policies and decision making regarding crises that may have impact on business operations, legal matters, and images of the organization as well as coordination with external entities for collaboration to mitigate such crises.

2.1.3 Finance Committee - manages financial risks – determines policies and guidelines for managing financial risks and relevant exchange rates involved in international investments, loans, deposits, and transactions, determines policies and monitors case management, keeps track of

financial status, exchange rate trends, interest rates, and reports to the risk management committee.

2.1.4 Risk Management Division – informs policies and strategies regarding risk management which have been assigned by the enterprise risk management committee to all centralized responsible divisions, coordinates with respective risk administrators of each division to follow up the managed results of potential risks that may significantly affect both short and long term goals, and reports to the committee of risk management. This includes monitoring and summarizing risk situations in important strategic countries in reports to be used to manage risks of each company, especially foreign companies. In addition to this, the division is also responsible for continuous training of personnel in risk management affair and fostering the exchange of knowledge of and culture in enterprise risk management.

2.1.5 Other divisions – the risk owners' centralized divisions are responsible for different aspects of a risk that may potentially have wide impact on the Company or requires an expertise to manage such as the divisions of Business Continuity Management and IT Strategy whose responsibilities are to manage risk regarding business disruption and IT-related risks and the division of organizational communication which is responsible for managing reputational risks. And they will report to inform the relevant committee accordingly.

3. Risk Management Process

In order to bring the risk framework to practicality, the Company has categorized the main procedures into 3 types, namely, strategic risk management in the medium-long term, risk management in investment projects, and operational risk management in which the main processes have been compiled in the "TPC Risk Management Manual" as follows

3.1 Identification of risk and business opportunity

In order to facilitate everyone in the organization to be able to identify risks and business opportunities, the Company has developed risks in all aspects that may affect the business operation and categorized all the risks for better comprehension and practicality. The risks are divided into 8 types which are (1) Safety, health and environment risks (2) Compliance risks (3) Reputational and intellectual property risks (4) Hazard risks (5) Input risks (6) Process risks (7) Financial risks (8) Business risks.

3.2 Risk assessment

The Company has standardized risk assessment procedure in the organization. The risk owner will utilize various tooling such as scenario analysis, correlation analysis and benchmarking to assess likelihood and severity of the risk then compare to the risk limit assessing results that correspond to the acceptable risk level.

3.3 Risk Response

If the residual risks exceed the risk limit, a countermeasure, solution, or emergency response plan must be devised and a business continuity plan must be created for hazard risks. In the case of business opportunity, it is required to craft a plan to realize the opportunity. In addition to this, the Company will employ the following strategies to suit the circumstances; the strategies include Retain, Exploit, Transfer, Reduce and Avoid.

3.5 Reporting and Monitoring

Any risk will be reported to Risk Management Committee before proceeding to the Audit Committee every quarter. A conference will be held quarterly to follow up risk managing progresses in which risk owners and their team will come up with a plan and manage emerging risks accordingly. In the case that the risk residual exceeds the risk limit, a countermeasure/ solutions must be devised and reported to the managing committee until the risk residual becomes acceptable.

4. Building a Corporate Risk Culture

The Company understands that organizational risk culture is a vital element to successful risk management apart from good tooling and consistent standards because if everyone in the organization has a mismatched understanding on risk management framework or risk limit, or has inconsistent mindsets with the Company's risk management framework, decisional errors may arise. Therefore, the Company has laid out guidelines in creating an organizational risk culture as follows

- Be informed by the executives that risk management is important and the executives themselves are the role model in managing risks
- Develop risk managing procedures to be able to create profits for the enterprise by assigning the risk managing division to regularly follow up and improve work progresses
- Create practical risk management procedures by appointing responsible person to oversee risk management affair
- Assign specific roles and responsibilities to responsible persons for each type of risk
- Create a consensus among major relevant parties through meetings, interviews, and periodic feedback
- Prescribe risk management as an agenda item of major meetings of each company
- Set risk management to be a part of personnel training and development program

12.2 Key Risks and Managing Strategies According to Sustainable Development Approach

Safety, Health and Environmental Risks

1. Safety and health risks / Mitigation plans

As the Company is conducting its business in industry that involves heavy machinery and chemical substances, awareness of the importance of safety and health of both employees and business partners

must be greatly emphasized. However, conducting such business in foreign lands where the environment, health and safety standards are drastically different than those regulated by the Company, the likelihood of such risks are inherently inevitable. To accommodate this, the Company provides range of acceptable risks and risk limit of unacceptable risks for safety and health aspects as well as proactive measures in an attempt to prevent such scenarios before damages and loss take place.

In addition to this, the Company has improved safety in its logistics chain including a training system for driving personnel, marking of risky areas, and use of GPS to ensure safety.

Business Opportunities

The Company is determined to constantly develop change leadership and that includes safety and health; as such, the Company will implement its safety evaluation system to create standards for companies in other countries that partner with the Company. It will also extend the concepts to business partners, jointly implementing the ideas together and bringing the concepts of safety management to the society on a grand scale which will lead to sustainable business practice, not only in Thailand but also the foreign countries.

2. Environmental risks / Mitigation plans

Due to the rapid changes in weather, frequent occurrence of and increasingly violent natural disasters, there are many forms of environmental movements that may affect the business continuity, reputation or compensation expense from loss and damage. The Company, therefore, has been consistently launching social welfare and environment (CSR) projects. In addition to this, the Company has always been aware that energy consumption directly affects emission of greenhouse gases which is the main cause of global warming. The Company then sets off to improve its production process for more efficient energy usage and monitors it continuously, lays out policies to appropriately allocate natural energy resources to each country that the Company has invested in to achieve balance, increased the

quantity of replacement fuels, explores for new types of and alternative fuels as well as develops products that can help reduce energy consumption and greenhouse gas emissions.

Business Opportunities

Among all the global changes, the Company views consumption of goods and services that are environmentally-friendly as an opportunity for profits. Consequently, the Company strives to research and develop production processes for environmentally-friendly goods and services.

Compliance Risks

3. Risks from changes of government policies, regulations and laws / Mitigation plans

Rules, guidelines, and regulatory risks include the failure to comply with the establishments, both internally and externally, such as in regard to the laws, governmental policies, corruption, the Company's ethics, and reputation-related guidelines and relationship with external entities in which both laws and governmental policies are always subjected to change, failure to comply may affect the Company's reputation, or result in penalty, fine, or loss of business opportunities. In 2015, the operational division ensured that the legal affairs and regulations were clearly defined and implemented and could systematically link all the organizational elements - the Company itself, the divisions and the personnel together.

For the operational administration, the Company has defined the necessary framework which consists of structural policies, systems, processes and 3 levels of roles and responsibilities: level of responsible persons, level of support persons, level of audit persons as well as an appointment of an administrative committee.

Business opportunities

Besides informing anti-corruption policies to the managing director and employees of all levels, as a change leader, the Company is also determined to promote this concept to other companies and

business partners in Thailand and implement it accordingly as law abiding citizens, in addition to conducting their business in a way that improves the community, society and environment for sustainable business practice.

Reputational Risk and Intellectual Property Risks

4. Reputational risks in foreign countries / Mitigation plans

Currently, the stakeholders can quickly receive news and information from many different media; in the event that the Company has been put under negative publicity, there may be a severe effect that impacts the reputation and image of the organization, especially in foreign countries where the environment, business norms and culture differ. The main risk management strategies that the Company has implemented are brand management; the Company will hold public relation campaigns to appropriately promote itself, provide internal and external communication in both typical and crisis situations to ensure mutual understanding and consistent procedures, survey for attitudes and satisfaction towards the organizational image and to use the findings to further evaluate expectations and potential risks for more strategies.

Business opportunities

The Company has adopted a brand building strategy to create an even stronger brand to enhance competitiveness; the Company focuses on integrating product brands under its own brand and the associates' to create clarity in business practice and to support future growth as well as strengthen and facilitate brand recognition among consumers.

Hazard Risks

5. Natural disaster / Mitigation plans

Natural disaster has tendency to occur frequently and is likely to increase in intensity, making a big impact on the overall economy, life and property, and may disrupt the Company's flow of supply chain and

business practice. For the preventive measures and solutions, the Company has implemented Business Continuity Management (BCM) to the companies both domestically and internationally. BCM starts from analyzing the value chain to determine key processes, and to evaluate and prioritize the risks, so as to identify strategies to be used to manage risks, lay out countermeasures in case of emergency, and devise a BCM plan consisting of operational plans and responsible persons once the business becomes disrupted, and schedule for regular rehearsal. Furthermore, the Company also pays attention to preparation before such events take place, by monitoring and observing occurrence of natural disasters from reliable sources; from government sectors and other organizations. The BCM division will be the one to follow up and evaluate, communicate any relevant information to notify employees and business associates that may be affected, so as to prepare for the situation according to the business continuity plan. One example was a committee which was appointed to monitor the drought in Rayong province.

Input Risks

6. Risks from price fluctuation of fuel and main raw materials

Due to the constant decline in the price of crude oil in the global market, the prices of energy and commodities such as EDC and VCM also declined, which is good for the business, reducing the production cost. However, in the long-run, there is a risk that the price will rise and that will also affect the production cost. For the mitigation plans in this case, the Company has a team of analysts to monitor and assess the price of fuel and other key ingredients, so as to devise a sale and marketing strategy, optimize inventory goods, and, in some cases, the Company will close the risk (Hedging) to mitigate risks from price fluctuation of commodity and manage the cost to maintain its competitiveness in global market.

Business opportunities

In order to avoid or mitigate the impact from price fluctuation of fuel and main raw materials, the Company aims to use innovative and advanced technology to produce high value-added products and services to meet the needs of customers.

Process Risks

7. Supply chain risks / Mitigation plans

The Company always takes risk factors of the entire supply chain into consideration; from procurement of raw materials and equipment for production and logistics process, up to sales and delivery of products and services. This is because if there is inconsistency in the supply chain management, it may affect the customer's trust and the business operation as a whole. For management, the Company utilizes various tooling and methods to assess the risks such as risk assessment from disruption of the supply chain via BCM by prioritizing the risks by importance and abilities to manage, expense analysis to sort out the expenses important to production process and come up with a management plan, portfolio management to identify important business partners by taking into consideration, risks from environmental and social business and develop the partners on sustainable supply chain basis.

In the year 2015, the Company has revolutionized its management and operations by adopting a system called the Integrated Business Excellence (IBE) that focuses on linking production lines and the integrated value chain line together to significantly reduce expenses and increase operational effectiveness.

Business opportunities

The fact that the Company has a lot more diverse products and has increasingly expanded its enterprise to foreign countries, makes the operational process inevitably more complex. Effective data links, apart from facilitating the retrieval of data and index, enabling executives or relevant parties to make

more accurate and prompt decisions, also helps the business to foresee potential risks and mitigate them early on.

8. Human resource management and capability risks / Mitigation plans

To support future growth and mitigation plans to prepare human capital to support future business growth, the Company has been constantly improving its human resource management to align with its business strategies such as the preparation of the workforce by assessment and capacity development as well as trial-implementation of talent management, focusing on managing the staff as a whole in terms of wages, growth, development and assignments of tasks that suit the skills of particular individuals. In terms of capacity development, every level of employee will be trained to foster business knowledge in which the Company has provided the curriculum appropriate for personnel in different levels, including leadership and teamwork training. Moreover, the Company also provides training courses for local employees in each country that it has invested to improve the abilities of every employee, so that they are of the same standard throughout the region.

Business opportunities

The Company hires local employees to support future business growth in foreign countries; it will attract talent by raising brand awareness, recruiting students from leading institutes, granting scholarships to students and local employees from undergraduate degree up to doctoral levels as well as building a good relationship with the government sector, private sector, community and other leading companies in the countries that the Company has invested in.

Financial Risks

9. Foreign exchange rate fluctuation risk / Mitigation plans

Fluctuation in exchange rate affects the export income and import costs of main raw materials such as EDC and VCM; and as there are more and more

investments in foreign countries and international trade, the fluctuation in exchange rates becomes one of the important risk, which if well-managed, will help reduce business cost and mitigate loss from exchange rates. For the preventive measures and solutions, the Company will balance its income and expense that is in foreign currency (Natural Hedge) and agree with the trading partner to receive or pay foreign currency in a reasonable manner, and if there is a marginal difference, the Finance committee will consider hedging through forward contract in a timely and reasonable manner.

Business Environmental Risks

10. Risks from significant events in the countries of investment / Mitigation plans

The Company has always been evaluating and monitoring risks exclusive to particular countries that it has invested in, in terms of economic status, social system, legal and taxation, availability of infrastructure as well as politics, international conflict and other significant global events. The Company will make a risk report on the main strategic countries every quarter to serve as a reference for each company when they manage risks. The company in a foreign country in particular has appointed a Country Business Support Office for each country to closely monitor all the ongoing situations. In addition to this, there are scenario analyses and sensitivity analyses for certain circumstances to evaluate the consequences and to prepare the appropriate responses accordingly, by comparing impacts from the risks and the business returns.

Business opportunities

Since the Company has been trading in several countries such as Vietnam and Indonesia for many years and has been using the opportunities to constantly monitor risks and business opportunities, this experience enables the Company to identify opportunities which can create a competitive advantage, namely, increasing investment in the downstream business overseas.

13. Related party transactions and connected transactions

The Board of Directors emphasizes the need for careful review and consideration before granting approval for connected transactions, related transactions or transactions that may cause conflict of interest. The SCG Code of Conduct has set forth a policy regarding such transactions as follows:

13.1 Connected Transactions between the Company and Its Subsidiaries

The company and subsidiaries are bound to conduct transactions with one another in such ways as providing services, trading raw materials and products, or providing financial support, technical assistance, human resources, etc. In doing business or performing duties related to such matters, all employees and parties concerned are required to comply with the law, the rules and regulations of government agencies, as well as the rules of the Company in addition to any criteria or conditions prescribed by local communities.

13.2 Transactions with Outside Entities

In undertaking transactions with outside entities or other companies, the Company shall proceed by implementing fair methods and complying with the terms and conditions as agreed upon honestly. The Company shall also avoid making transactions that may cause trouble or damage to outside parties.

Regulations and approval process of connected transactions

Approval of connected transactions is in accordance with procedures approved by the Company's authority,

which is employed for general trade by types and sizes of transactions in ascending order, with an exception of contingent liabilities that may occur from an act of guarantee (if any), which requires approval from the Board. The Company openly upholds the guidelines established by the Stock Exchange of Thailand to manage any conflicts of interest among relevant parties in verifiable, transparent, and sensible manners with full disclosure of such details published in its annual report and other relevant reports.

13.3 Connected transactions-related trends in the future or policies

The Company has no policy for additional connected transactions in the future; except cases related to business operations and the general trade terms or conditions.

13.4 Connected Transactions

The Company follows strictly a policy to comply with the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, as well as laws, regulations, notifications or orders relating to the execution of connected transaction.

Connected transactions with related parties and associates that may cause conflict of interest are as follows:

Related party transactions table

1. Sales and services

Company	Type of Relationship	Type of Related Party Transactions	Total (MB)
PT. TPC Indo Plastic & Chemicals	Associate with 40% of share holding and subsidiary of SCG	Sales of VCM	972
Nawacam Co., Ltd.	Associate with 40% of shares held by a subsidiary	Sales of plastic materials	394
Inter Plastic Co., Ltd.	Associate with 25% of shares held by a subsidiary	Sales of plastic materials	86
TIEN PHONG PLASTIC JOINT STOCK COMPANY	Associate with 23.84% of shares held by a subsidiary	Sales of PVC	82
BINH MINH PLASTICS JOINT STOCK COMPANY	Associate with 20.4% of shares held by a subsidiary	Sales of PVC	1,034
SCG Plastics Co., Ltd.	Subsidiary of SCG	Sales of PVC	9,045
SCG Performance Chemicals Co., Ltd.	Subsidiary of SCG	Sales of PVC	3,813
SCG Cement - Building Materials Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	256
SIAM GLOBAL HOUSE PUBLIC CO., LTD.	Subsidiary of SCG	Sales of plastic materials	124
Burabha Logistics Service Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	75
Thai Polyethylene Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	45
The Cpac Roof Tiles Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	24
SCG Sourcing Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	21
SCG Cement Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	13
Siam Fibre-Cement Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	7
Siam Kubota Metal Technology Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	4
SCG-Sekisui Sales Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	4
Siam Toyota Industry Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	4
The Siam Cement Public Company Limited	Subsidiary of SCG	Sales of plastic materials	3
SCG Experience Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	3
Grand Siam Composite Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	3
Rayong Engineering & Plant Service Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	2
Siam Lemmerz Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	2
SCG Landscape Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	2
The Siam Cement (Ta Luang) Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	1
Thai Ceramic Roof Tile Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	0.9
SCG Building Materials Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	0.9
Thai Containers Group Co., Ltd.	Subsidiary of SCG	Sales of plastic materials	0.7

2. Purchase and service costs

Company	Type of Relationship	Type of Related Party Transactions	Total (MB)
Rayong Olefins Co., Ltd.	Subsidiary of SCG	Purchase of ethylene	2,909
Rayong Engineering & Plant Service Co., Ltd.	Subsidiary of SCG	Maintenance service cost	311
SCG Chemicals Co., Ltd.	Subsidiary of SCG	Business support cost	222
SCG Plastics Co., Ltd.	Subsidiary of SCG	Purchase of plastic beads	121
Map Ta Phut Olefins Co., Ltd.	Subsidiary of SCG	Purchase of ethylene	59
SCG Performance Chemicals Co., Ltd.	Subsidiary of SCG	Purchase of plastic beads	54
Thai Container Rayong Co., Ltd.	Subsidiary of SCG	Purchase of paper containers	46
SCI Eco Services Co., Ltd.	Subsidiary of SCG	Purchase of raw materials	6
The Siam Refractory Industry Co., Ltd.	Subsidiary of SCG	Purchase of refractory materials	6
Siam Kraft Industry Co., Ltd.	Subsidiary of SCG	Purchase of paper materials	4
Rayong Pipeline Co., Ltd.	Subsidiary of SCG	Purchase of chemicals	0.7

3. Selling and administrative expense

Company	Type of Relationship	Type of Related Party Transactions	Total (MB)
The Siam Cement Public Company Limited	Parent Company with 90.67% of shares	Seminar training and building rental costs	24
Mizusawa Industrial Chemicals Co., Ltd.	Related company with 30% of shares among subsidiaries	Dividend	16
Mitsui & Co. Limited	Related company with 5% of shares among subsidiaries	Selling Expense	0.6
IT One Co., Ltd	Associate of SCG	Information system service cost	13
SCG Chemicals Co., Ltd.	Subsidiary of SCG	Management expense	543
SCG Accounting Services Co., Ltd.	Subsidiary of SCG	Accounting expense	110
SCG Logistics Management Co., Ltd.	Subsidiary of SCG	Selling expense	75
SCG Cement - Building Materials Co., Ltd.	Subsidiary of SCG	Marketing expense	33
Protech Outsourcing Co., Ltd.	Subsidiary of SCG	Outsourcing expense	9
RIL 1996 Co., Ltd.	Subsidiary of SCG	Seminar training expense	8
SCG Legal Counsel Limited.	Subsidiary of SCG	Legal service expense	4
Rayong Engineering & Plant Service Co., Ltd.	Subsidiary of SCG	Maintenance expense	1
SCG Learning Excellence Co., Ltd.	Subsidiary of SCG	Seminar training expense	1

4. Other incomes

Company	Type of Relationship	Type of Related Party Transactions	Total (MB)
SCG Chemicals Co., Ltd.	Subsidiary of SCG	Income from related party	3
Rayong Engineering & Plant Service Co., Ltd.	Subsidiary of SCG	Rental income	0.9

In addition to the transactions among related parties where the relationships are inter-company shareholdings, product trading, and typical services provident. During 2015, the Company has decided to discontinue operation and liquidate Minh Thai House Component Co., Ltd, as one of the Company's subsidiaries in Vietnam, whose operations have been suspended for quite a while. This decision, however, has no insignificant impact on the operations of the Company in any way.

In addition, Nawaplastic (Saraburi) Company Limited, a subsidiary whose 100% of shares are held by TPC, has

co-invested with a partner in Cambodia to establish a joint venture company: Nawaplastic (Cambodia) Co., Ltd. whose shares are held by the Company by 60% which in turn makes Nawaplastic (Cambodia) Co., Ltd. one of TPC's subsidiaries.

Nevertheless, the Company has proceeded to notify the Stock Exchange of Thailand accordingly; however, the transactions do not meet the requirements to report to the Stock Exchange of Thailand (SET) on matters of acquisition or disposition of assets and is not a connected transaction.

14. Report on the Board of Directors' Responsibility for the Financial Reports

The Board of Directors of Thai Plastic and Chemicals Public Company Limited has arranged for the production of financial statements that indicate the Company's financial status and operational results for 2015, in keeping with Company regulations and the Limited Public Company Act of 1992.

The Board of Directors is well aware of the duties of directors of registered companies and their responsibility for producing financial statements of the Companies and its subsidiaries as well as other financial data present in the 2015 annual report. The aforesaid financial statements were prepared in accordance with principles of accounting generally accepted in Thailand. After the appropriate accounting policies were chosen, they were adhered to and implemented on a consistent basis, accompanied by all due circumspection, care, and reasoned judgment. Sufficient and transparent disclosure of such information was made in the notes to the financial statements for the benefit of shareholders and concerned members of the public.

The Board of Directors has established an effective system of internal controls, with standards sufficiently rigorous to provide assurance that accounting entries are accurate and complete enough to protect corporate assets and prevent fraud and other significant irregularities.

The Board of Directors has appointed the Audit Committee, which consists of independent directors who are not executives, to direct and supervise the quality of financial reports and ensure the efficiency of the system of internal controls. The Audit Committee

must also monitor, evaluate, comment upon, and report to the Board of Directors concerning the findings of the Independent Auditor and the Office of Internal Audits. The purpose in this is to ensure that the Company possesses a good risk management system, suitable and effective corporate governance, and adequate internal controls, and is compliant with the relevant laws and regulations. The opinion of the Audit Committee regarding the above matters is found in the Report of the Audit Committee, which is included in this annual report as well.

The Board of Directors considers the Company's system of internal controls to be, overall, in good condition and capable of providing assurance that the financial statements of the Company and its subsidiaries for the year ending on December 31, 2015, are true and fair and reliable according to the Financial Reporting Standards and Guidelines promulgated by the Federation of Accounting Professions and compliant with the relevant legislation and regulations.



(Cholanat Yanaranop)

Chairman



(Suchai Asvathavornvanit)

Managing Director

15. Report of the Audit Committee

The Audit Committee of Thai Plastic and Chemicals Public Company Limited consists of three independent directors, none of whom is TPC corporate executives, employees, or consultants. The Audit Committee is composed of Dr. Prawit Ninsuvannakul, as the Chairman, Dr. Somchai Kongsala and Mr. Apiporn Pasawat.

The Audit Committee implemented the duties and accepted the responsibilities assigned by the Board of Directors, according to the charter of the Audit Committee. The charter is in accordance with the recommendations of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and related international standards such as financial report preparation, supervision, risk management, internal control, legal and regulatory compliance and internal audit. The Company reviews the charter of the Audit Committee annually to be in line with the increased or changed responsibility in each year. This year, the Company has added the Anti-Corruption Policy Compliance and increased the extent of information technology supervision and security of information and communication network system.

In 2015, the Audit Committee met up for six times. Meetings were also held with the Audit Committee, the Management, the Auditor and the Internal Auditor whenever appropriate. The main activities may be summarized as follows:

1. Review the Company's quarterly and annual financial statements for the year 2015 and the Company's and the subsidiaries' consolidated financial statements according to Thai Financial Reporting Standards (TFRS) and in line with International Financial Reporting Standards (IFRS), emphasized on the main activities and special items being

reviewed by the Auditor, the Management and the Internal Audit Director that the financial statements preparation, as well as disclosing of the notes to the financial statements were in line with the legal requirements and the Financial Reporting Standards. Therefore, they approved the statements audited and verified by the Auditor, which was an unmodified opinion report. Additionally, the Audit Committee also met the Auditor on one occasion in the absence of the Management, so as to encourage attendees to freely consult in matters of importance regarding the financial statements preparation and information disclosure under the Financial Reporting Standards that will be useful for the financial statements users, as well as the suspicious behavior as per Section 89/25 of Securities and Exchange Act B.E. 2535, as amended in Securities and Exchange Act (Issue 4) B.E. 2551. In 2015, the managing director reported that no behavior was in the scope of suspicious conduct, resulting in the Company's financial statements be trustworthy and transparent, with the Auditor being independent verifier.

2. Review of the good corporate governance, risk management, legal and regulatory compliance, internal control and internal audit
 - 2.1 Review of the good corporate governance according to the regulations of the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
 - 2.2 Review of the verification, supervision, risk management, information technology control and process, information security, and effective communication network, which are internationally accepted.

- 2.3 Review of the Anti-Corruption Policy Compliance after the announcement of the Anti-Corruption Policy in 2014 to ensure the interested parties. In 2015, the Company prepared the Anti-Corruption Compliance Assessment Form to assess the risks and set the adequate corruption control.
- 2.4 Review of the risk management and consideration of the risk warning signals in every quarter to be consistent with the ever-changing risks. Moreover, the corporate risk culture is supported to be expanded to employees in every level, besides Risk Champion.
- 2.5 Review of the effectiveness and efficiency of the internal control according to COSO 2013 to propose to the Board of Directors for approval and disclosing in the Information Form 56-1 and the annual report. Furthermore, the Audit Committee supports the awareness of ethics, virtue and code of conduct in employees to spread knowledge, understanding and apply to everyday operation by preparing Preventive Pack Three as follows:
 - Ethics e-testing form
 - Communicating the responsibility of risk management and good control under the Three Lines of Defense
 - Communicating the case studies about corruption, non-compliance with laws and regulations, corporate policies and code of conduct.
3. Review the Company's internal process about the Whistleblower System to prevent corruption in organization.
4. Review of the work of the Internal Audit Office.
 - 4.1 Support the independence of the Internal Auditor and annual review of the charter of the Audit Committee and the charter of the Internal Audit for consistency with the risks and the Company's current situations.
 - 4.2 Together with the Management, the Audit Committee considered the matter of appointing, withdrawing, transferring, or terminating the Internal Audit Director.
 - 4.3 Annual assessment, together with the Management, of budgetary and manpower concerns of the Internal Audit Office. In addition, suggestions concerning ways to make its performance more effective were made, along with ways of enhancing the effectiveness. Furthermore, the Audit Committee evaluated the annual audit plan for 2015 on the basis of assessments of the Company's internal controls and risk management, along with plans pertaining to business operations, information technology, safety and environmental programs. Subsidiaries and associated companies in Thailand and abroad were also evaluated to ensure that the audit plan was sufficiently comprehensive and included all significant risk factors.
 - 4.4 Review of the operation of the Internal Audit Office, from audit planning, audit operation, reporting and follow-up the audit results.
5. Consider with External Auditor and review in determining the objectives, plans, results and main topics of consideration in corporate audits and investigations of compliance with the legislation and regulations pertaining to securities, the stock market and the Company's business.
6. Consider the related-party transactions and potential conflicts of interest, as per legislation and SET regulations and transactions between the Company or its subsidiaries and the Management or related persons in accordance with legislation pertaining to Securities and the Stock Exchange in every quarter. The Company has strictly complied with legislation and SET requirements, consistent to good corporate governance policy.

7. Constantly monitor and consult with the Management concerning general matters of management that could affect the Company. If any suspicious transaction or conduct is found to significantly affect the Company's financial status or operational results, the Audit Committee is to make a report to the Board of Directors and seek for prompt rectification. If no such resolution is undertaken, the Audit Committee is to submit a further report to SEC and/or SET.
8. In 2015, the Audit Committee reported its activities to the Board of Directors for six times.
9. The Audit Committee conducted a self-assessment of the Committee's own work, both as a whole and of each individual member. This year, the Audit Committee assessment has been amended by a comparison to best practices.
10. Consider and propose the appointment of Auditor and audit fee to the Board of Directors, for subsequent submission to shareholders. Consideration of this matter is to be based upon performance, professional ethics and the reasonableness of the audit fee. For audit in 2016, the Auditor from KPMG Phoomchai Audit Ltd. was considered to be the Auditor, as it has a good operation standards and proficiency in auditing. The Auditors are also independent, skilled

and experienced in auditing the corporate and be able to give advice on business-related issues apart from issues in audit field. The Audit Committee agreed to propose to the Board of Directors for approval in shareholders' meeting that Ms. Sureerat Thongarunsang (CPA no. 4409), Mr. Charoen Phosamritlert (CPA no. 4068) or Ms. Porntip Rimdusit (CPA no. 5565) of KPMG Phoomchai Audit Ltd. be appointed as the Company Auditor in 2016.

The Audit Committee, finally, was independent and impartial in its deliberations and recommendations in order that operational results might conform to corporate objectives and manifest greater efficiency. The Audit Committee received excellent cooperation from all parties involved, for which we would like to express our appreciation at this time.

On behalf of the Audit Committee



(Prawit Ninsuvannakul)
Ph. D., C.P.A., IOD Chartered Director
Chairman of the Audit Committee

16. Report of Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Thai Plastic and Chemicals Public Company Limited consists of three directors; Mr. Dhep Vongvanich as the Chairman, Dr. Somchai Kongsala and Mr. Somchai Wangwattanapanich as members of the Committee. None of whom is the Company's corporate executives.

The Nomination and Remuneration Committee implemented the duties and accepted the responsibilities as assigned by the Board of Directors; to suggest the nomination process of the Board of Directors, consider the people with proper qualifications to be the member of the Board of Directors replacing the director who are retiring on rotation at the annual meeting of shareholders and consider the remuneration of the Board of Directors and the Sub-Committees.

In 2015, the Nomination and Remuneration Committee held a total of four meetings, with an attendance record of all directors considering as 100%. Significant duties performed by the Committee were as follows:

1. Suggest the nomination process of the Board of Directors and criteria for selecting qualified candidates to be the directors. The criteria consists of required qualifications of each director, required expertise of the Board of Directors, especially the expertise and specialization according with the Company's strategies and business medium term plan, and the diversity of directors.
2. Consider the people with proper qualifications, in accordance with the nomination process of the Board of Directors as approved by the Board of Directors and also in compliance with the Public Limited Companies Act B.E. 2535, from the list of candidates nominated by each director. However, in 2015, no shareholder proposed any nominee to be elected as a director of the Company.

The Board of Directors, following the proposal of the Nomination and Remuneration Committee, agreed to propose the Annual General Meeting of Shareholders for the year 2016 to elect the three retiring directors, namely Mr. Cholanat Yanaranop, Mr. Chaovalit Ekabut and Mr. Suchai Asvathavornvanit to be the directors of the Company for another term.

3. Consider the remuneration of the Board of Directors and the Sub-Committees to be in line with the appropriate principles by comparing with the reference information of other listed companies of similar industry and business category as well as the Company's business growth, and performance for the year 2015.
4. In 2015, the Nomination and Remuneration Committee reported its activities to the Board of Directors for four times.
5. The Nomination and Remuneration Committee evaluated, both as a whole and self-assessment. In 2015, all assessment results were under criteria of best practices according to the charter of the Nomination and Remuneration Committee and good corporate governance.
6. After being reviewed, the charter of the Nomination and Remuneration Committee is considered to still be appropriate and in line with duties at the present.

On behalf of the Nomination and
Remuneration Committee



(Mr. Dhep Vongvanich)
Chairman of the Nomination and
Remuneration Committee

17. Description and Analysis of Financial Condition and Results of Operations

Sales Revenue and Cost of Sales

The Company and its subsidiaries gained total revenue of 29,578 million Baht from sales and services, a 2,292 million Baht or 7 percent decrease from last year. This was due to a price drop of raw materials, which affected product price in PVC business altogether. 65 percent of sales revenue were gained from PVC business. 32 percent were from PVC related businesses and another 3 percent were from other income. For the proportion of sales and service revenue, 80 percent were from the sales of the companies in Thailand. The other 20 percent were from overseas subsidiaries.

The Company had 24,840 million Baht of total cost of sales, a 3,745 million Baht or 13 percent decrease from last year due to consistent price drop of ethylene and EDC, which were the main raw materials, along with price drop of crude oil in 2015.

According to the above mentioned sales revenue and cost of sales, the overall gross profit margin increased from last year to 1,454 million baht or by 44 percent, mainly because of a price drop of the main materials, which subsequently provided better sales margin to the Company.

Other Revenue

The Company and its subsidiaries gained a total of 540 million Baht from other income, a 438 million Baht or 431 percent increase from last year, mostly was the increased dividends from investment in Rayong Olefins Co., Ltd.

Other Expenses

The Company and its subsidiaries had other expenses of 2,999 million Baht in total, a 344 million Baht or 13 percent increase from last year. This was because of increased selling expenses, coupled with the fact that in 2015, the Company has set aside some provision for impairment loss in its associates PT.TPC Indo Plastic & Chemicals 204 million Baht in total.

Share of Profit from Investments in Associates and Joint Venture

The Company's share of net income from investments in associates and joint venture, including 10 companies, was 389 million Baht. It was taken from the profit of PVC business and other PVC related businesses in the proportion of 18 percent and 82 percent, respectively.

Operating Results

The 2015 net profit of the Company and its subsidiaries was 2,261 million Baht, a 1,412 million Baht or 166 percent increase from last year, as a result of declining in raw material price as the crude oil price consistently dropped during 2015. Subsequently, the Company enjoyed profits from higher sales margin and increased dividends from investment.

Return to Shareholders

According to the 2015 financial position and results of operations, the Board of Directors has resolved to propose to the Annual General Meeting of Shareholders to approve a dividend payment for the year 2015 at the rate of 1.55 Baht per share, which was 60 percent of net income. The Company has paid an interim dividend to shareholders at the rate of 0.40 Baht per share, with the remaining dividend to be paid in installments final payment at the rate of 1.15 Baht per share.

Assets

As of 31 December 2015, the Company and its subsidiaries have total assets of 24,362 million Baht, a 387 million Baht decrease from last year.

The account receivables decreased by 285 million Baht, mainly due to a decline of selling prices compared to the fourth quarter of 2015.

For account receivables of the Company and its subsidiaries at the end of 2015, the enterprise received 3,819 million

Baht in value which consisted of about 1.4 percent of outstanding receivables for more than 12 months, a decrease from last year which was at 1.5 percent. The Company has recorded an allowance for doubtful accounts of 56 million Baht, which is considered sufficient. For credit policy, the Company will operate in the form of a group credit committee, which will consider issuing credit based on client's ability to settle, financial status, registered capital, assets and sales volume.

Inventory of the Company and its Subsidiaries decreased to 793 million Baht, mainly due to the decrease in volumes of raw materials and finished good from efficient inventory management.

Other current assets decreased by 123 million Baht, mainly due to the decreased amount of the Revenue Department's debtors from deferred VAT refund.

Property, plant and equipment increased to 720 million Baht, mainly due to the increased asset acquisition of the Company and its subsidiaries by about 2,174 million Baht, for PVC machinery replacement and improvement, as well as investments to expand production capacity in relation to PVC business. The Company and its subsidiary have adjusted the annual depreciation at an amount of 1,453 million Baht.

Liquidity

As of 31 December 2015, the working capital ratio of the Company and its subsidiaries is 1.34. The transactions of cash flows are detailed in the following activities.

The cash flow received from operating activities was 4,339 million Baht, a 4,021 million Baht increase, mainly by the higher profit and debt from operations in the previous year.

For investment, 1,641 million Baht of net cash was spent, a 409 million Baht decrease from the previous year, the reason being was that in 2014, the Company spent an increased share capital in Long Son Petrochemicals Co., Ltd. for 562 million Baht and during 2015, the Company received dividend 427 million Baht higher compared to previous year as well as an additional investment in machinery and equipment of 598 million Baht.

For financing activities, 2,606 million Baht was spent, a 2,923 million Baht increase from the previous year due to reduced short-term loan and long-term loans

as well as the fact that the Company paid its dividend less than previous year.

Source of Fund

As of 31 December 2015, debt to equity ratio of the Company and its subsidiaries to equity shareholders was 0.36 times, decreasing from 0.53 times in the previous year. The ratio of long-term debt to total liabilities of this year was 8 percent, a 2 percent decrease from last year. It was mainly due to the transfer of long-term loans which were previously due within one year of its subsidiaries to current liabilities during 2015.

Liabilities

The Company and its subsidiaries had total liabilities of 6,440 million Baht, a 2,135 million Baht decrease from the previous year. The account payables and other payables decreased by 519 million Baht. It was mainly caused by the decreased creditors of raw material in both purchase quantity and price from the previous year.

The short-term loan decreased to 1,373 million Baht as a result of cash flow from good operations compared to previous years while other current liabilities increased to 230 million Baht.

Other long-term loans decreased by 450 million Baht, mainly due to long-term loan payments that were due during the year

Shareholders' Equity

The Company and its subsidiaries possess shareholders' equity of 17,923 million Baht in total, a 1,748 million Baht increase from the previous year, as a result of net income in 2015 of 2,261 million Baht. The differences in translation of financial statements of the subsidiary companies, controlled entities, and joint venture abroad increased by 110 million Baht due to the depreciation of the Baht. Non-controlling equity increased by 33 million Baht. In 2015, the Company's annual dividend for 2014 and interim dividend for 2015 were 656 million Baht in total.

Independent auditor's report

To the Shareholders of Thai Plastic and Chemicals Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Thai Plastic and Chemicals Public Company Limited and its subsidiaries (the "Group"), and of Thai Plastic and Chemicals Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of income and comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
16 February 2016

Statements of financial position

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
As at 31 December 2015

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Notes	2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents	5	310,896	235,148	15,320	17,356
Trade and other receivables	4, 6	3,992,521	4,277,559	3,317,139	3,403,805
Short-term loans	4	-	5,250	-	-
Inventories	7	3,401,351	4,193,885	1,725,549	2,266,919
VAT receivable		117,743	236,672	100,274	148,810
Other current assets		61,366	65,123	53,364	37,188
Total current assets		7,883,877	9,013,637	5,211,646	5,874,078
Non-current assets					
Available-for-sale investments	8	428,079	438,815	427,302	437,988
Investments in associates	9	2,747,843	2,701,630	53,330	53,330
Investments in subsidiaries	10	-	-	2,248,915	2,248,915
Investment in joint venture	9	784,878	782,081	859,559	859,559
Other long-term investments	11	1,124,615	1,124,615	1,124,615	1,124,615
Property, plant and equipment	13	10,940,255	10,220,374	6,921,823	6,097,109
Intangible assets	14	99,397	116,440	56,397	67,311
Deferred tax assets	15	82,432	60,082	-	-
Other non-current assets	4	270,908	291,729	90,134	101,834
Total non-current assets		16,478,407	15,735,766	11,782,075	10,990,661
Total assets		24,362,284	24,749,403	16,993,721	16,864,739

The accompanying notes are an integral part of these financial statements.

Statements of financial position

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
As at 31 December 2015

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and shareholders' equity	Notes	2015	2014	2015	2014
(in thousand Baht)					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	16	1,490,593	2,863,714	960,432	2,255,684
Trade and other payables	4, 17	3,562,184	4,081,493	2,290,614	2,682,815
Current portion of long-term loans	16	320,000	450,360	-	-
Short-term loans	4	-	-	630,041	639,000
Accrued expenses		260,998	133,777	88,764	42,887
Income tax payable		173,519	81,396	78,695	21,911
Short-term provisions	18	11,301	10,452	4,843	5,141
Other current liabilities		74,060	64,081	34,693	30,743
Total current liabilities		5,892,655	7,685,273	4,088,082	5,678,181
Non-current liabilities					
Long-term loans from financial institutions	16	-	320,000	-	-
Employee benefit obligations	18	300,028	325,452	150,527	173,527
Deferred tax liabilities	15	246,974	244,011	176,245	214,850
Total non-current liabilities		547,002	889,463	326,772	388,377
Total liabilities		6,439,657	8,574,736	4,414,854	6,066,558

The accompanying notes are an integral part of these financial statements.

Statements of financial position

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
As at 31 December 2015

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and shareholders' equity	Note	2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Shareholders' equity					
Share capital	19				
<i>Authorised share capital</i>					
-ordinary share		875,000	875,000	875,000	875,000
<i>Issued and paid-up share capital</i>					
-ordinary share		875,000	875,000	875,000	875,000
Premium on ordinary shares	20	2,700,000	2,700,000	2,700,000	2,700,000
Retained earnings					
<i>Appropriated</i>					
Legal reserve		87,500	87,500	87,500	87,500
Other reserve	20	1,184,000	1,184,000	1,184,000	1,184,000
<i>Unappropriated</i>		12,553,501	10,940,111	7,423,581	5,634,346
Other components of shareholders' equity					
Fair value changes on investments	20	307,148	315,737	308,786	317,335
Currency translation differences	20	(244,540)	(354,492)	-	-
Total equity attributable to owners of the parent		17,462,609	15,747,856	12,578,867	10,798,181
Non-controlling interests	12	460,018	426,811	-	-
Total shareholders' equity		17,922,627	16,174,667	12,578,867	10,798,181
Total liabilities and shareholders' equity		24,362,284	24,749,403	16,993,721	16,864,739

The accompanying notes are an integral part of these financial statements.

Statements of income

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
	Notes	2015	2014	2015	2014
		(in thousand Baht)			
Revenues					
Revenue from sale of goods and rendering of services	4	29,578,102	31,869,589	21,234,739	24,234,334
Dividend income		466,943	26,912	1,716,396	374,302
Net foreign exchange gain		15,708	-	35,813	-
Other income	4, 17	57,100	74,675	28,509	33,263
Total revenues		30,117,853	31,971,176	23,015,457	24,641,899
Expenses					
Cost of sale of goods and rendering of services	4, 7	24,839,681	28,584,881	19,478,857	23,367,684
Selling expenses	4, 22	1,047,404	905,766	321,495	254,117
Administrative expenses	4, 23	1,873,445	1,512,980	621,784	592,994
Net foreign exchange loss		-	155,302	-	147,291
Total expenses		27,760,530	31,158,929	20,422,136	24,362,086
Share of profit of associates and joint venture	9	389,112	268,421	-	-
Profit before finance costs and income tax		2,746,435	1,080,668	2,593,321	279,813
Finance costs		(77,662)	(80,626)	(40,364)	(32,791)
Profit before income tax		2,668,773	1,000,042	2,552,957	247,022
Income tax benefit (expense)	25	(336,496)	(121,446)	(109,748)	36,476
Profit for the year		2,332,277	878,596	2,443,209	283,498

The accompanying notes are an integral part of these financial statements.

Statements of income

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

	Consolidated financial statements		Separate financial statements	
	31 December		31 December	
Note	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Profit attributable to:				
Owners of the parent	2,261,459	849,375	2,443,209	283,498
Non-controlling interests	12 70,818	29,221	-	-
Profit for the year	2,332,277	878,596	2,443,209	283,498
 Basic earnings per share (in Baht)				
Attributable to owners				
of the parent	26 2.58	0.97	2.79	0.32

The accompanying notes are an integral part of these financial statements.

Statements of comprehensive income

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
	Note	2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Profit for the year		2,332,277	878,596	2,443,209	283,498
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Defined benefit plan actuarial gains	18	11,498	1,982	2,845	2,040
Income tax on other comprehensive income relating to items that will not be reclassified	25	(2,300)	(397)	(569)	(408)
Items that will be reclassified to profit or loss when specific conditions are met					
Foreign currency translation differences for foreign operations		122,483	(110,335)	-	-
Net change in fair value of available-for-sale financial assets		(10,736)	(234,974)	(10,686)	(234,919)
Income tax on other comprehensive income relating to items that will be reclassified	25	2,147	46,995	2,137	46,984
Other comprehensive income for the year – net of income tax		123,092	(296,729)	(6,273)	(186,303)
Total comprehensive income for the year		2,455,369	581,867	2,436,936	97,195
Total comprehensive income attributable to:					
Owners of the parent		2,371,003	567,591	2,436,936	97,195
Non-controlling interests		84,366	14,276	-	-
Total comprehensive income for the year		2,455,369	581,867	2,436,936	97,195

The accompanying notes are an integral part of these financial statements.

Statements of changes in shareholders' equity

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

Consolidated financial statements										
	Retained earnings				Other components of shareholders' equity					
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated	Unappropriated	Fair value changes on investments	Currency translation differences	Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity	
<i>Note</i>			Legal reserve	Other reserve						
					<i>(in thousand Baht)</i>					
Balance at 1 January 2014	875,000	2,700,000	87,500	1,184,000	11,270,401	503,716	(259,102)	16,361,515	519,775	16,881,290
Transactions with owners, recorded directly in shareholders' equity										
Contributions by and distributions to owners of the parent										
Dividends	-	-	-	-	(1,181,250)	-	-	(1,181,250)	(107,240)	(1,288,490)
Total contributions by and distributions to owners of the parent	-	-	-	-	(1,181,250)	-	-	(1,181,250)	(107,240)	(1,288,490)
Comprehensive income for the year										
Profit for the year	-	-	-	-	849,375	-	-	849,375	29,221	878,596
Other comprehensive income										
Net changes in fair value of investments recognised in equity	-	-	-	-	-	(234,974)	-	(234,974)	-	(234,974)
Translation of financial statements differences	-	-	-	-	-	-	(95,390)	(95,390)	(14,945)	(110,335)
Defined benefit plan actuarial gains	-	-	-	-	1,982	-	-	1,982	-	1,982
Income tax on other comprehensive income	-	-	-	-	(397)	46,995	-	46,598	-	46,598
Total comprehensive income for the year	-	-	-	-	850,960	(187,979)	(95,390)	567,591	14,276	581,867
Balance at 31 December 2014	875,000	2,700,000	87,500	1,184,000	10,940,111	315,737	(354,492)	15,747,856	426,811	16,174,667

The accompanying notes are an integral part of these financial statements.

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

The accompanying notes are an integral part of these financial statements.

Statements of changes in shareholders' equity

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

	Consolidated financial statements						
	Retained earnings			Other components of shareholders' equity			
	Appropriated	Unappropriated		Fair value changes on investments	Currency translation differences	Total equity attributable to owners of the parent	Total shareholders' equity
Note	Legal reserve	Other reserve	Premium on ordinary shares				
	<i>(in thousand Baht)</i>						
Comprehensive income for the year							
Profit for the year	-	-	-	2,261,459	-	2,261,459	2,332,277
Other comprehensive income							
Net changes in fair value of investments recognised in equity	-	-	-	-	-	-	-
Translation of financial statements differences	-	-	-	(10,736)	-	(10,736)	(10,736)
Defined benefit plan actuarial gains	-	-	-	-	109,952	109,952	122,483
Income tax on other comprehensive income	-	-	-	10,481	-	10,481	11,498
	-	-	-	(2,300)	-	(153)	(153)
Total comprehensive income for the year	-	-	-	2,269,640	109,952	2,371,003	2,455,369
Balance at 31 December 2015	875,000	2,700,000	87,500	1,184,000	307,148	17,462,609	17,922,627

The accompanying notes are an integral part of these financial statements.

Statements of changes in shareholders' equity

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

	<i>Note</i>	Separate financial statements					
		<i>Retained earnings</i>				Fair value changes on investments	Total shareholders' equity
		Issued and paid-up share capital	Premium on ordinary shares	Appropriated	Unappropriated		
				Legal reserve	Other reserve		
					<i>(in thousand Baht)</i>		
Balance at 1 January 2014		875,000	2,700,000	87,500	1,184,000	505,270	11,882,236
Transactions with owners, recorded directly in shareholders' equity							
Dividends	28	-	-	-	-	-	(1,181,250)
Total transactions with owners recorded directly in shareholders' equity		-	-	-	-	-	(1,181,250)
Comprehensive income for the year							
Profit for the year		-	-	-	-	-	283,498
Other comprehensive income							
Net changes in fair value of investments recognised in equity		-	-	-	-	(234,919)	(234,919)
Defined benefit plan actuarial gains	18	-	-	-	-	-	2,040
Income tax on other comprehensive income	25	-	-	-	-	46,984	46,576
Total comprehensive income for the year		-	-	-	-	(187,935)	97,195
Balance at 31 December 2014		875,000	2,700,000	87,500	1,184,000	317,335	10,798,181

The accompanying notes are an integral part of these financial statements.

Statements of changes in shareholders' equity

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

	Separate financial statements					
	Retained earnings					Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated	Unappropriated	Fair value changes on investments	
Note			Legal reserve	Other reserve		
			(in thousand Baht)			
Balance at 1 January 2015	875,000	2,700,000	87,500	1,184,000	5,634,346	10,798,181
Transactions with owners, recorded directly in shareholders' equity						
Dividends	-	-	-	-	-	(656,250)
Total transactions with owners recorded directly in shareholders' equity	-	-	-	-	(656,250)	(656,250)
Comprehensive income for the year						
Profit for the year	-	-	-	-	-	2,443,209
Other comprehensive income						
Net changes in fair value of investments recognised in equity	-	-	-	-	(10,686)	(10,686)
Defined benefit plan actuarial gains	-	-	-	-	2,845	2,845
Income tax on other comprehensive income	-	-	-	-	(569)	1,568
Total comprehensive income for the year	-	-	-	-	(8,549)	2,435,936
Balance at 31 December 2015	875,000	2,700,000	87,500	1,184,000	308,786	12,578,867

The accompanying notes are an integral part of these financial statements.

Statements of cash flows

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

	Consolidated financial statements		Separate financial statements	
	31 December		31 December	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	2,332,277	878,596	2,443,209	283,498
<i>Adjustments for</i>				
Depreciation and amortisation	1,530,770	1,279,099	880,767	684,311
Finance costs	77,662	80,626	40,364	32,791
Unrealised gain on exchange rate	(16,374)	(29,257)	(1,408)	(19,676)
Allowance for doubtful accounts (reversal)	12,174	9,643	-	(14,828)
Allowance for decline in value of inventory and inventory obsolescence (reversal)	(92,895)	132,016	(43,474)	68,173
Provision for impairment loss on property, plant and equipment	21,543	9,156	326	16,909
Provision for impairment loss on intangible assets	21	-	21	-
Loss on disposal and write-off on property, plant and equipment	10,364	3,717	4,583	4,573
Gain on sale of investments in associates	(3,222)	-	-	-
Provision for impairment loss / written-off of other investment	204,426	103	-	-
Share of profit of associates and joint venture	(389,112)	(268,421)	-	-
Dividend income from subsidiaries and associates	-	-	(1,258,060)	(347,395)
Dividend income from other investments	(466,943)	(26,912)	(466,934)	(26,907)
Provision for employee benefit obligations (reversal)	(4,154)	3,180	(15,526)	6,755
Income tax	336,496	121,446	109,748	(36,476)
Profit provided by operating activities before changes in operating assets and liabilities	3,553,033	2,192,992	1,693,616	651,728

The accompanying notes are an integral part of these financial statements.

Statements of cash flows

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

	Consolidated financial statements		Separate financial statements	
	31 December		31 December	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Decrease (increase) in operating assets</i>				
Trade and other receivables	327,677	84,443	151,340	220,213
Inventories	902,157	(612,056)	584,843	(460,185)
VAT receivable	118,930	(181,718)	48,536	(111,661)
Other current assets	5,553	70,739	(16,175)	86,023
Other non-current assets	1,139	(100,515)	84	(88,587)
Net decrease (increase) in operating assets	1,355,456	(739,107)	768,628	(354,197)
<i>Increase (decrease) in operating liabilities</i>				
Trade and other payables	(453,211)	(800,579)	(333,245)	(716,564)
Accrued expenses	153,527	(23,418)	49,119	(11,308)
Other current liabilities	9,797	4,155	3,950	609
Employee benefit obligations	(16,317)	(7,378)	(8,169)	(858)
Net decrease in operating liabilities	(306,204)	(827,220)	(288,345)	(728,121)
Cash provided by (used in) operating activities	4,602,285	626,665	2,173,899	(430,590)
Income tax paid	(262,853)	(308,058)	(90,001)	(138,819)
Net cash provided by (used in) operating activities	4,339,432	318,607	2,083,898	(569,409)
<i>Cash flows from investing activities</i>				
Dividends received from subsidiaries and associates	184,523	196,618	1,197,915	282,395
Dividends received from other investments	466,943	26,912	466,934	26,907
Investments in joint venture	-	(562,257)	-	(562,257)
Purchase of property, plant and equipment	(2,288,707)	(1,690,572)	(1,749,966)	(1,069,559)
Sale of property, plant and equipment	9,400	7,373	4,851	271
Purchase of intangible assets	(13,346)	(27,694)	(4,843)	(4,982)
Net cash used in investing activities	(1,641,187)	(2,049,620)	(85,109)	(1,327,225)

The accompanying notes are an integral part of these financial statements.

Statements of cash flows

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

	Consolidated		Separate	
	financial statements		financial statements	
	31 December		31 December	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Cash flows from financing activities				
Interest paid	(81,170)	(86,960)	(40,364)	(32,791)
Dividends paid	(656,250)	(1,181,250)	(656,250)	(1,181,250)
Dividends paid to non-controlling interests	(47,859)	(87,617)	-	-
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(1,382,039)	2,558,120	(1,295,252)	2,255,684
Cash received from short-term loans	-	-	993,151	2,377,000
Repayment of short-term loans	-	-	(1,002,110)	(2,779,700)
Repayment of long-term loans	(438,387)	(435,120)	-	-
Repayment of liability under finance lease contract	-	(449,467)	-	(4,361)
Net cash provided by (used in) financing activities	(2,605,705)	317,706	(2,000,825)	634,582
Net increase (decrease) in cash and cash equivalents	92,540	(1,413,307)	(2,036)	(1,262,052)
Cash and cash equivalents at beginning of year	235,148	1,655,631	17,356	1,279,408
Effect of exchange rate changes on balances held in foreign currency at end of year	(16,792)	(7,176)	-	-
Cash and cash equivalents at end of year	310,896	235,148	15,320	17,356
Supplementary information for cash flows				
Non-cash transactions				
Accrued dividends income	22,270	-	106,108	64,999
Purchase fixed assets and intangible assets that have not yet been paid	50,855	144,085	15,868	77,945
Dividends Payable	47,820	26,634	-	-

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

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Notes to the financial statements

Thai Plastic and Chemicals Public Company Limited and its Subsidiaries
For the year ended 31 December 2015

These notes form an integral part of the consolidated financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English language, and were approved and authorised for issue by the Audit Committee as appointed by the Board of Directors of the Company on 16 February 2016.

1 General information

Thai Plastic and Chemicals Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office as follows:

Head office	:	1 Siam Cement Road., Bangsue, Bangkok Thailand
Factory 1	:	19, Moo 9, Municipality Samrongtai 21 Road, Bangyaprag, Prapradaeng, Samutprakarn, Thailand
Factory 2	:	8, I-1 Road, Maptaphut Industrial Estate, Maptaphut, Meung – Rayong, Rayong, Thailand

The Company was listed on the Stock Exchange of Thailand on 27 April 1984.

The parent company is The Siam Cement Public Company Limited which was incorporated in Thailand.

The principal business of the Company and its subsidiaries (together referred to as the “Group”) is related to manufacturing and sales of PVC, which include related products produced from PVC.

Details of the Company's subsidiaries as at 31 December 2015 and 2014 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest 2015	2014 (%)
Direct subsidiaries				
Total Plant Service Co., Ltd.	Investments and engineering service	Thailand	100.00	100.00
The Nawaplastic Industries (Saraburi) Co., Ltd.	Manufacturing and sales of PVC pipe and fittings	Thailand	100.00	100.00
Viet-Thai Plastchem Co., Ltd.	Manufacturing and sales of PVC	Vietnam	72.49	72.49
TPC Vina Plastic and Chemical Corporation Ltd.	Manufacturing and sales of PVC	Vietnam	70.00	70.00
Siam Stabilizers and Chemicals Co., Ltd.	Manufacturing and sales of Stabilizer	Thailand	60.00	60.00

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2015	2014
(%)				
Indirect subsidiaries				
Holding by Total Plant Service Co., Ltd.				
TPC Paste Resin Co., Ltd.	Manufacturing and sales of PVC	Thailand	100.00	100.00
Holding by The TPC Paste Resin Co., Ltd.				
Chemtech Co., Ltd.	Manufacturing and sales of compound	Vietnam	100.00	100.00
Holding by The Nawaplastic Industries (Saraburi) Co., Ltd.				
Nawaplastic Industries Co., Ltd.	Manufacturing and sales of PVC pipe and plastic products	Thailand	100.00	100.00
Nawa Intertech Co., Ltd.	Manufacturing and sales of molding products	Thailand	100.00	100.00
Minh Thai House Component Co., Ltd.(*)	Manufacturing and sales of PVC doors and windows	Vietnam	80.00	80.00
Nawaplastic (Cambodia) Co., Ltd	Manufacturing and sales of PVC pipe and plastic products	Cambodia	60.00	-

(*) At the Board of Directors' meeting held on 27 April 2015, the Board passed resolutions to approve the dissolution and liquidation of Minh Thai House Component Co., Ltd. which had ceased operations for many years. This dissolution does not significantly affect the operations of the Group.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRSs effective for annual accounting periods beginning on or after 1 January 2015. The adoption of these new and revised TFRSs did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group. However, TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. Accordingly, the Group has included additional disclosures in notes 8 and 29.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 35.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- available-for-sale financial assets are measured at fair value.
- the present value of the defined benefit obligation.

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Notes 9 and 13	Calculation of recoverable amount and significant assumption
Notes 15 and 25	Utilisation of tax losses, current and deferred tax
Note 18	Discount rate, salary increase rate, employee turnover rate and mortality rate
Note 31	Contingent liabilities

Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs are unobservable inputs for the asset or liability.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 8 – Available-for-sale investments.
- Note 29 – Financial instruments.

3 Significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Group and the Group's interests in associates and joint venture.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the foreign exchange rates ruling at the dates that fair value was measured.

Foreign entities

The assets and liabilities of foreign entities, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the foreign exchange rates ruling at the end of the reporting period.

The revenues and expenses of foreign entities are translated to Thai Baht at the average exchange rates ruling during the reporting period.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in other components of equity until disposal of the investment.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in the statement of income when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the profit or loss. The fair value of forward exchange rate contracts is their listed market price at the reporting date.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other receivables

Trade and other receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is primarily assessed on analysis of payment histories and future expectations of receivable payments. Bad debts are written off when incurred.

Bad debts recovered are recognised in other income in profit or loss.

(f) Inventories

Inventories are state at the lower of cost and net realisable value.

Cost is calculated using the following formula:

Finished goods	- at standard cost which approximates actual production cost
Merchandise	- at average cost
Goods in process	- at standard cost which includes direct raw materials, direct labour and manufacturing overhead costs.
Raw materials, spare parts, stores, supplies and others	- at average cost

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in associates, subsidiaries and joint venture

Investments in associates, subsidiaries and joint venture in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint venture in the consolidated financial statements are accounted for using the equity method.

Investments in equity securities

Marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences on available-for-sale monetary items are recognised in the profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable securities are stated at cost less any accumulated impairment losses.

The fair value of available-for-sale securities is determined as the quoted bid price at the end of the reporting period.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Finance lease

The Group entered into sale and lease back agreement for certain building and machinery, resulting in a finance lease. Excess of sales proceeds over the carrying amount is not immediately recognised as income. This surplus is deferred and presented net under property, plant and equipment. Amortisation of such surplus presented offsetting with depreciation expenses in the profit or loss over the term of the lease.

The Group recognised finance leases as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(i) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different patterns or useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income or other expenses in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	5 - 20 years
Building and structures	5 - 30 years
Machinery and equipment	2 - 40 years
Vehicles and transportation equipment	5 - 20 years
Furniture, fixtures and office equipment	3 - 15 years

Depreciation for the finance lease assets is charged as expense for each accounting period. The depreciation method for leased assets is consistent with that for depreciable assets that are owned.

No depreciation is provided on freehold land or assets under construction.

The Group capitalises borrowing costs incurred during the period of construction and installation as part of the plant under construction and machinery under installation. The capitalisation of borrowing costs ceases when the construction and installation is completed and the asset is ready for its intended use.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Goodwill and intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Acquisitions prior to 1 January 2008

Goodwill and negative goodwill was stated at cost from the date of initial recognition and amortised over its estimated useful life. On 1 January 2008, the Group discontinued amortisation of goodwill. The remaining balance is subject to testing for impairment, as described in note 4 (k). Negative goodwill carried in the financial statements as at 31 December 2007 was derecognised by crediting unappropriated retained earnings on 1 January 2008.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Development cost of software	3 - 15	years
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No amortisation is provided on assets under development.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the current fair value and acquisition cost, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or accumulated amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at cost less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade and other payables

Trade and other payables are stated at cost.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid. If the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) Revenue

Revenue excludes value added tax and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided on the basis of stage of completion.

Rental income

Rental income is recognised in the profit or loss on a straight-line basis over the term of the lease.

Interest and dividend income

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date.

(q) Expenses

Operating lease

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease expense, over the term of lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, dividends on preference shares classified as liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(r) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting period.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(t) Segment reporting

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment.

4 Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa.

Relationships with subsidiaries, associates and joint venture and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Parent company
The Nawaplastic Industries (Saraburi) Co., Ltd.	Thailand	Subsidiary
Nawaplastic Industries Co., Ltd.	Thailand	Subsidiary
Nawa Intertech Co., Ltd.	Thailand	Subsidiary
Total Plant Service Co., Ltd.	Thailand	Subsidiary
TPC Paste Resin Co., Ltd.	Thailand	Subsidiary
Siam Stabilizers and Chemicals Co., Ltd.	Thailand	Subsidiary
Chemtech Co., Ltd.	Vietnam	Subsidiary
Minh Thai House Component Co., Ltd.	Vietnam	Subsidiary
Viet - Thai Plastchem Co., Ltd.	Vietnam	Subsidiary
TPC Vina Plastic and Chemical Corporation Ltd.	Vietnam	Subsidiary
Nawaplastic (Cambodia) Co., Ltd.	Cambodia	Subsidiary
Siam TPC Co., Ltd.	Thailand	Associate
Riken (Thailand) Co., Ltd.	Thailand	Associate
PT. TPC Indo Plastic & Chemicals	Indonesia	Associate
Inter Plastic Co., Ltd.	Laos	Associate
Tien Phong Plastic Joint Stock Company	Vietnam	Associate
Binh Minh Plastics Joint Stock Company	Vietnam	Associate
SCG Plastics (China) Co., Limited	China	Associate
Long Son Petrochemicals Co., Ltd.	Vietnam	Joint venture
SCG Cement-Building Materials Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited

Name of entities	Country of incorporation/ nationality	Nature of relationships
SCG Performance Chemicals Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
CPAC Roof Tile Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
SCG Plastics Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
SCG Chemicals Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
SCG Logistics Management Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
Rayong Engineering & Plant Service Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
SCG Accounting Services Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
RIL 1996 Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
SCG Sourcing Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
Thai Container Rayong Co.,Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
Rayong Olefins Co., Ltd.	Thailand	Subsidiary of Siam Cement Public Company Limited
Siam Global House Public Company Limited	Thailand	Associate of Siam Cement Public Company Limited

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sale of goods and rendering of services	At prices equivalent to sales/services provided to third parties
Other income	At contractually agreed prices, equivalent to market prices
Purchases of raw materials and services	At prices equivalent to purchases/cost of services from third parties
Selling and administrative expenses	At contractually agreed prices, equivalent to market prices
Interest income and interest expense	At rates equivalent to market

Significant transactions for the years ended 31 December 2015 and 2014 with related parties were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Parent</i>				
Advance payment for implementation project	-	105,022	-	93,329
<i>Associates</i>				
Revenue from sale of goods and rendering of services	2,567,832	2,552,853	972,301	1,003,153
Other income	16	3,144	16	3,144
Interest income	60	518	-	-
Dividend income	-	-	85,032	112,474
<i>Subsidiaries</i>				
Revenue from sale of goods and rendering of services	-	-	4,635,998	5,291,417
Other income	-	-	76,030	78,802
Purchases of raw materials and services	-	-	48,811	45,245
Interest income	-	-	-	1,067
Interest expense	-	-	11,038	16,890
Dividend income	-	-	1,164,430	234,920
<i>Related parties</i>				
Revenue from sale of goods and rendering of services	13,456,812	15,124,568	15,552,530	17,430,734
Purchases of raw materials and services	3,757,592	4,687,866	3,443,699	4,421,929
Other income	3,561	-	3,561	15
Selling and administrative expenses	840,903	707,424	529,442	471,254
Dividend income	445,580	-	445,580	-

Balances as at 31 December 2015 and 2014 with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(in thousand Baht)			
Trade accounts receivable from related parties				
Associates				
PT. TPC Indo Plastic & Chemicals	368,145	409,962	368,145	409,962
Binh Minh Plastic & Chemicals	103,694	66,970	-	-
Others	9,615	24,361	-	-
Subsidiaries				
TPC Vina Plastic and Chemical Corporation Ltd.	-	-	719,000	614,193
TPC Paste Resin Co., Ltd.	-	-	35,706	23,863
Other related parties				
SCG Plastics Co., Ltd.	1,644,512	1,580,654	1,644,512	1,580,654
SCG Performance Chemicals Co., Ltd.	479,247	543,319	352,728	400,087
Others	61,234	73,442	-	-
Total	2,666,447	2,698,708	3,120,091	3,028,759
Other receivables from and short-term loans to related parties				
Other receivables from related parties				
Associates				
Riken (Thailand) Co., Ltd.	-	19,390	-	19,390
Binh Minh Plastic & Chemicals	22,270	-	-	-
Other	147	350	16	-
Subsidiaries				
Viet – Thai Plastchem Co., Ltd.	-	-	53,507	42,923
TPC Paste Resin Co., Ltd.	-	-	11,422	13,725
TPC Vina Plastic and Chemical Corporation Ltd.	-	-	64,400	22,575
Others	-	-	5,298	2,914
Other related parties	3,453	6,047	3,201	5,984
	25,870	25,787	137,844	107,511
Short-term loans to related parties				
Associates				
NAWACAM Co., Ltd.	-	5,250	-	-
	-	5,250	-	-
Total	25,870	31,037	137,844	107,511

Movements during the years ended 31 December 2015 and 2014 of short-term loan to related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
At 1 January	5,250	5,228	-	160,000
Increase	-	22	-	-
Decrease	(5,250)	-	-	(160,000)
At 31 December	-	5,250	-	-

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Trade accounts payable to related parties				
Subsidiaries	-	-	6,378	4,410
Other related parties				
SCG Plastics Co., Ltd.	691,863	661,456	421	200
Rayong Olefin Co., Ltd.	218,479	262,899	218,479	262,899
Rayong Engineering & Plant Service Co., Ltd.	65,089	51,263	62,414	47,303
Map Ta Phut Olefin Co., Ltd.	63,321	-	63,321	-
SCG Performance Chemicals Co., Ltd.	30,955	9,544	2,200	1,728
Others	18,588	31,974	6,880	17,842
Total	1,088,295	1,017,136	360,093	334,382
Other payables to and short-term loans from related parties				
Other payables to related parties				
Subsidiaries	-	-	1,770	1,387
Other related parties				
SCG Chemicals Co., Ltd.	138,232	212,949	91,236	148,964
The Siam Cement Public Company Limited	15,562	22,880	9,910	20,997
SCG Accounting Services Co., Ltd.	11,967	9,790	5,329	4,865
SCG Logistics Management Co., Ltd.	9,346	13,203	9,064	13,070
Others	17,395	29,800	3,116	3,823
	192,502	288,622	120,425	193,106
Short-term loan from related party				
Subsidiaries				
Total Plant Service Co., Ltd.	-	-	630,041	559,000
The Nawaplastic Industries (Saraburi) Co., Ltd.	-	-	-	80,000
	-	-	630,041	639,000
Total	192,502	288,622	750,466	832,106

Movements during the years ended 31 December 2015 and 2014 of short-term loan from related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
At 1 January	-	-	639,000	1,041,700
Increase	-	-	993,151	2,377,000
Decrease	-	-	(1,002,110)	(2,779,700)
At 31 December	-	-	630,041	639,000

Key management personnel compensation

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Short-term employee benefits	80,907	79,875	80,907	79,875
Total	80,907	79,875	80,907	79,875

Significant agreement with related parties

The Company has entered into long-term agreements with a related company to purchase raw material for production at selling prices calculated according to conditions in the agreements, which are based on market prices. The agreements are for 31 years, terminating in 2029.

A subsidiary entered into agreements and memorandum with a foreign related company and a local related company regarding to license for manufacturing and for using technical data and commission on sales. The subsidiary is required to pay license fee and commission at percentage of sales as stipulated in the agreements. The agreements have terms of 7 - 15 years.

5 Cash and cash equivalent

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Cash on hand	7,244	1,360	-	1
Cash at banks – current accounts	140,236	161,802	13,351	13,601
Cash at banks – savings accounts	77,416	24,928	1,969	3,754
Highly liquid short-term investments	86,000	47,058	-	-
Total	310,896	235,148	15,320	17,356

6 Trade and other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Trade receivables					
Related parties	4	2,666,447	2,698,708	3,120,041	3,028,759
Other companies		1,208,753	1,411,071	15,775	175,230
Less allowance for doubtful accounts		(56,366)	(51,822)	(15,775)	(15,849)
Net		1,152,387	1,359,249	-	159,381
		3,818,834	4,057,957	3,120,091	3,188,140
Other receivables					
Related parties	4	25,870	25,787	137,844	107,511
Other parties		156,333	193,815	59,204	108,154
Less allowance for doubtful accounts		(8,516)	-	-	-
Net		147,817	193,815	59,204	108,154
		173,687	219,602	197,048	215,665
Total		3,992,521	4,277,559	3,317,139	3,403,805
Bad and doubtful debts expenses (reversal) for the year ended 31 December		12,644	12,655	(73)	(14,908)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Within credit terms	3,648,365	3,696,223	3,120,091	3,105,258
Overdue:				
Less than 1 months	125,130	297,017	-	82,882
1 - 3 months	37,869	12,943	-	-
3 - 6 months	1,882	34,057	-	-
Over 6 months but within 12 months	7,639	7,970	-	-
Over 12 months	54,315	61,569	15,775	15,849
	3,875,200	4,109,779	3,135,866	3,203,989
Less allowance for doubtful accounts	(56,366)	(51,822)	(15,775)	(15,849)
Net	3,818,834	4,057,957	3,120,091	3,188,140

The normal credit term granted by the Group is 15 - 90 days.

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Raw materials	1,007,831	1,337,147	583,270	827,031
Spare parts, stores, supplies and others	678,788	623,740	496,062	442,034
Goods in process	190,089	259,885	114,338	188,382
Finished goods	1,396,308	1,837,066	425,336	584,902
Goods in transit	212,259	312,867	136,411	297,911
Total	3,485,275	4,370,705	1,755,417	2,340,260
Less allowance for decline in value of inventory and inventory obsolescence	(83,924)	(176,820)	(29,868)	(73,341)
Net	3,401,351	4,193,885	1,725,549	2,266,919
Cost of inventories recognised as an expense in cost of sales:				
Cost of sales and rendering of services	24,839,681	28,584,881	19,478,857	23,367,684
Less Write-down to net realisable value	(55,976)	(168,814)	(23,419)	(71,820)
Add Reversal of write-down	173,377	37,983	89,371	4,833
Less Service cost and others	(33,056)	(35,062)	-	-
Net total	24,924,026	28,418,988	19,544,809	23,300,697
Changes in inventories of finished goods and goods in process	(510,554)	96,418	(233,610)	(63,301)
Raw materials and consumables used	19,480,920	24,676,616	17,999,398	22,337,743

8 Available-for-sale investments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Available-for-sale investment - cost	44,144	44,144	41,321	41,321
Add surplus on revaluation of investment	383,935	394,671	385,981	396,667
Total	428,079	438,815	427,302	437,988

Carrying amounts and fair values

The fair values of financial assets together with the carrying amounts in the statement of financial position as at 31 December 2015 are as follows.

	Consolidated financial statements	
	Carrying amount	Fair Value Level 1
	<i>(in thousand Baht)</i>	
Available-for-sale investments		
Available-for-sale equity securities	428,079	428,079
	428,079	428,079

	Separate financial statements	
	Carrying amount	Fair Value Level 1
	<i>(in thousand Baht)</i>	
Available-for-sale investments		
Available-for-sale equity securities	427,302	427,302
	427,302	427,302

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The level applicable to the Company's available-for-sale investments is defined as follows.

- Level 1: quoted prices (unadjusted) in active markets (Stock Exchange) for identical assets that the Group can access at the measurement date.

9 Investments in associates and joint venture

Movements for the year ended 31 December on investments in associates and joint venture accounted for using the equity method were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Associates				
At 1 January	2,701,630	2,656,372	53,330	53,330
Share of net profit of investments				
- equity method	408,933	286,014	-	-
Impairment losses	(204,426)	-	-	-
Dividend income	(206,793)	(196,618)	-	-
Disposals	(5,376)	-	-	-
Currency translation differences	53,875	(44,138)	-	-
At 31 December	2,747,843	2,701,630	53,330	53,330
Joint venture				
At 1 January	782,081	246,926	859,559	297,302
Share of net loss of investments				
- equity method	(19,821)	(17,593)	-	-
Increase	-	562,257	-	562,257
Currency translation differences	22,618	(9,509)	-	-
At 31 December	784,878	782,081	859,559	859,559
Total				
At 1 January	3,483,711	2,903,298	912,889	350,632
Share of net profit of investments				
- equity method	389,112	268,421	-	-
Increase	-	562,257	-	562,257
Impairment losses	(204,426)	-	-	-
Dividend income	(206,793)	(196,618)	-	-
Disposals	(5,376)	-	-	-
Currency translation differences	76,493	(53,647)	-	-
At 31 December	3,532,721	3,483,711	912,889	912,889

Investments in associates and joint venture as at 31 December 2015 and 2014, and dividends for the years ended 31 December 2015 and 2014 were as follows:

Consolidated financial statements

	Ownership interest (Direct and indirect holding)		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<i>(in thousand Baht)</i>														
Associates														
Siam TPC Co., Ltd. (ultimate holding company of PT. TPC Indo Plastic & Chemicals in Indonesia) (*)	40.00	40.00	1,195,800	1,195,800	478,320	478,320	440,108	437,044	(204,426)	-	235,682	437,044	-	-
NAWACAM Co., Ltd. (held by The Nawaplastic Industries (Saraburi) Co., Ltd.)	-	40.00	-	6,726	-	2,690	-	19,568	-	-	-	19,568	32,475	17,892
Riken (Thailand) Co., Ltd. (held by The Nawaplastic Industries (Saraburi) Co., Ltd.)	35.00	35.00	120,000	120,000	42,000	42,000	484,520	464,118	-	-	484,520	464,118	84,000	112,000
Inter Plastic Co., Ltd. (held by The Nawaplastic Industries (Saraburi) Co., Ltd.)	25.00	25.00	9,000	9,000	2,250	2,250	10,015	9,237	-	-	10,015	9,237	2,000	1,250
Tien Phong Plastic Joint Stock Company (held by The Nawaplastic Industries (Saraburi) Co., Ltd.) (*)	23.84	23.84	929,596	845,091	738,465	738,465	1,047,873	922,441	-	-	1,047,873	922,441	30,220	23,246
Binh Minh Plastics Joint Stock Company (held by The Nawaplastic Industries (Saraburi) Co., Ltd.)	20.40	20.40	682,177	682,177	641,639	641,639	948,513	831,539	-	-	948,513	831,539	57,066	41,756
SCG Plastics (China) Co., Limited	20.00	20.00	4,509	4,509	11,330	11,330	21,240	17,683	-	-	21,240	17,683	1,032	474
Total			1,914,004	1,916,694	2,952,269	2,701,630	2,952,269	2,701,630	(204,426)	-	2,747,843	2,701,630	206,793	196,618
Joint venture														
Long Son Petrochemicals Co., Ltd.	18.00	18.00	4,407,534	4,407,534	859,559	859,559	784,878	782,081	-	-	784,878	782,081	-	-

(*) In the second quarter of 2015, the management reviewed and performed impairment testing of certain investments in shares of associates. The recoverable amount of investments was based on value in use and determined by discounting the future cash flows for the period of five years using weighted average costs of capital of the Group.

(**) At the general meeting of shareholders of Tien Phong Plastic Joint Stock Company held on 28 May 2015, the shareholders approved dividend payment of cash dividend with the date of dividend payment on 19 June 2015 and ordinary share dividend payment in August 2015. The Group is entitled to receive cash dividend amounting to Baht 10 million and 1.34 million ordinary shares at the par value of Vietnamese Dong 10,000 per share, totaling Baht 20 million.

Separate financial statements

	Ownership interest (Direct and indirect holding)		Paid-up capital		Cost method		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)				(in thousand Baht)			
Associates								
Riken (Thailand) Co., Ltd.	35.00	35.00	120,000	120,000	42,000	42,000	84,000	112,000
SCG Plastics (China) Co., Limited	20.00	20.00	4,509	4,509	11,330	11,330	1,032	474
Total					53,330	53,330	85,032	112,474
Joint venture								
Long Son Petrochemicals Co., Ltd.	18.00	18.00	4,407,534	4,407,534	859,559	859,559	-	-

The following summarised financial information related to interests in joint venture for the years ended 31 December is as follows:

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

During 2015, a project shareholder has advised the other project shareholders that it is considering exiting from the project. All parties are discussing and the project bidding process is still ongoing.

Joint venture

The following table summarises the financial information of the joint venture as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	Long Son Petrochemicals Co., Ltd. 2015 (in thousand Baht)
Revenue	9,538
Profit for the year from continuing operations ^a	(110,118)
Other comprehensive income for the year	125,656
Total comprehensive income for the year	15,538
Attributable to investee's shareholders	2,797
Current assets ^b	2,964,965
Non-current assets	1,651,284
Current liabilities ^c	(602,363)
Net assets	4,013,886
Attributable to investee's shareholders	722,500
Group's interest in net assets of investee at 1 January	782,081
Total loss for the year attributable to the Group	(19,821)
Currency translation differences	22,618
Carrying amount of interest in investee at 31 December	784,878
Remark:	
a Includes:	
– interest income	9,538
b Includes cash and cash equivalents	1,474,015
c Includes current financial liabilities (excluding trade and other payables and provisions)	335,063

Immaterial associates

The following is summarized financial information for the Group's interest in immaterial associates based on the amounts reported in the Group's consolidated financial statements:

	Immaterial Associates 2015 (in thousand Baht)
Carrying amount of interests in immaterial associates and joint ventures	2,747,843
Group's share of:	
- Profit for the year from continuing operations	408,933
- Other comprehensive income for the year	<u>53,874</u>
- Total comprehensive income for the year	<u>462,807</u>

10 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2015 and 2014, and dividend income for the years ended 31 December 2015 and 2014 were as follows:

	Separate financial statements					
	Ownership interest (Direct and indirect holding)		Paid-up capital		Cost method	
	2015	2014	2015	2014	2015	2014
	(%)				(in thousand Baht)	
Subsidiaries						
Total Plant Service Co., Ltd.	100.00	100.00	1,180,000	1,180,000	1,180,000	17,700
The Nawaplastic Industries (Saraburi) Co., Ltd.	100.00	100.00	400,000	400,000	382,928	-
Viet-Thai Plastchem Co., Ltd.	72.49	72.49	75,071	75,071	57,123	60,203
TPC Vina Plastic and Chemical Corporation Ltd.	70.00	70.00	1,012,964	1,012,964	514,864	85,197
Siam Stabilizers and Chemicals Co., Ltd.	60.00	60.00	190,000	190,000	114,000	71,820
Total						
			2,248,915	2,248,915	1,164,430	234,920

11 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other long - term investment - at cost	1,124,615	1,124,615	1,124,615	1,124,615
Less allowance for impairment	-	-	-	-
Total	1,124,615	1,124,615	1,124,615	1,124,615

12 Non-controlling interests

As at 31 December 2015, the Group's subsidiaries had no material non-controlling interest, before any intra group eliminations.

13 Property, plant and equipment

	Consolidated financial statements						
	Land	Land improvement	Building and structure	Machinery and factory equipment <i>(in thousand Baht)</i>	Vehicles and delivery equipment	Furniture, fixtures and office equipment	Assets under construction
Cost							Total
At 1 January 2014	338,064	105,597	3,506,447	22,524,177	99,965	366,688	27,941,800
Additions	-	-	3,175	62,809	6,958	5,094	1,787,057
Transfers	-	7,241	79,773	978,693	-	22,651	-
Disposals / written-off	-	-	(15,746)	(95,398)	(1,553)	(6,208)	(118,948)
Effect of movements in exchange rates	-	-	(31,359)	(123,066)	(1,100)	(386)	(156,034)
At 31 December 2014 and 1 January 2015	338,064	112,838	3,542,290	23,347,215	104,270	387,839	29,453,875
Additions	-	-	1,979	1,628,247	4,653	6,052	2,173,517
Transfers	-	1,292	146,969	1,693,952	22,541	19,210	-
Disposals / written-off	-	-	(8,105)	(237,863)	(12,959)	(3,759)	(262,686)
Effect of movements in exchange rates	-	-	31,461	67,164	1,292	383	100,407
At 31 December 2015	338,064	114,130	3,714,594	26,498,715	119,797	409,725	31,465,113

	Consolidated financial statements						
	Land	Land improvement	Building and structure	Machinery and factory equipment	Vehicles and delivery equipment	Furniture, fixtures and office equipment	Assets under construction
				<i>(in thousand Baht)</i>			
Accumulated depreciation and impairment losses							Total
At 1 January 2014	-	82,448	2,172,725	15,548,394	92,261	271,917	18,167,745
Depreciation charge for the year	-	2,516	130,541	1,045,043	6,510	28,589	1,213,199
Impairment losses	-	-	-	9,155	-	-	9,155
Transfers	-	64	(64)	-	-	-	-
Disposals / written-off	-	-	(15,389)	(85,713)	(589)	(6,166)	(107,857)
Effect of movements in exchange rates	-	-	(11,544)	(36,363)	(510)	(324)	(48,741)
At 31 December 2014 and 1 January 2015	-	85,028	2,276,269	16,480,516	97,672	294,016	19,233,501
Depreciation charge for the year	-	2,770	135,265	1,281,657	7,405	25,806	1,452,903
Impairment losses	-	-	52	21,451	36	4	21,543
Transfers	-	-	-	-	-	-	-
Disposals / written-off	-	-	(5,412)	(221,102)	(12,916)	(3,572)	(243,002)
Effect of movements in exchange rates	-	-	13,207	45,370	974	362	59,913
At 31 December 2015	-	87,798	2,419,381	17,607,892	93,171	316,616	20,524,858
<i>Net book value</i>							
At 31 December 2014	338,064	27,810	1,266,021	6,866,699	6,598	93,823	10,220,374
At 31 December 2015	338,064	26,332	1,295,213	8,890,823	26,626	93,109	10,940,255

During 2015, the management of a subsidiary reviewed and performed impairment testing of the subsidiary's property, plant and equipment. The recoverable amount was based on value in use and determined by discussing the future cash flow for the period of five years and weighted average cost of capital of the Group. The recoverable amount was estimated to be higher than its carrying amount and no impairment was required.

The gross carrying amount of fully depreciated property, plant and equipment that is still in use amounted to Baht 6,920 million as at 31 December 2015 (2014: Baht 5,580 million).

Separate financial statements

	Land	Building and structure	Machinery and factory equipment	Vehicles and delivery equipment	Furniture, fixtures and office equipment	Assets under construction	Total
				<i>(in thousand Baht)</i>			
Cost							
At 1 January 2014	49,186	1,534,415	14,605,175	72,723	206,465	772,566	17,240,530
Additions	-	-	18,586	-	3,101	1,103,304	1,124,991
Transfers	-	6,790	408,835	-	1,494	(417,119)	-
Disposals / written-off	-	(15,746)	(17,496)	(591)	(3,646)	(43)	(37,522)
At 31 December 2014 and 1 January 2015	49,186	1,525,459	15,015,100	72,132	207,414	1,458,708	18,327,999
Additions	-	2,168	1,608,153	53	3,784	73,732	1,687,890
Transfers	-	58,826	1,276,601	-	3,028	(1,338,455)	-
Disposals / written-off	-	(2,909)	(189,118)	(12,895)	(1,425)	-	(206,347)
At 31 December 2015	49,186	1,583,544	17,710,736	59,290	212,801	193,985	19,809,542
Accumulated depreciation and impairment losses							
At 1 January 2014	-	1,079,680	10,266,907	66,377	169,639	-	11,582,603
Depreciation charge for the year	-	47,598	598,778	2,201	15,480	-	664,057
Impairment losses	-	-	16,908	-	-	-	16,908
Disposals / written-off	-	(15,389)	(13,054)	(589)	(3,646)	-	(32,678)
At 31 December 2014 and 1 January 2015	-	1,111,889	10,869,539	67,989	181,473	-	12,230,890
Depreciation charge for the year	-	47,323	793,007	2,176	10,909	-	853,415
Impairment losses	-	52	270	-	4	-	326
Disposals / written-off	-	(2,778)	(179,863)	(12,852)	(1,419)	-	(196,912)
At 31 December 2015	-	1,156,486	11,482,953	57,313	190,967	-	12,887,719

Separate financial statements

	Land	Building and structure	Machinery and factory equipment	Vehicles and delivery equipment	Furniture, fixtures and office equipment	Assets under construction	Total
<i>Net book value</i>							
At 31 December 2014	49,186	413,570	4,145,561	4,143	25,941	1,458,708	6,097,109
At 31 December 2015	49,186	427,058	6,227,783	1,977	21,834	193,985	6,921,823

(in thousand Baht)

The gross carrying amount of fully depreciated property, plant and equipment that is still in use amounted to Baht 4,536.94 million as at 31 December 2015 (2014: Baht 3,488.68 million).

14 Intangible assets

	Consolidated financial statements	Separate financial statements
	Development cost of software	Development cost of software
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
At 1 January 2014	351,945	260,054
Additions	27,518	4,982
Disposals / written-off	(108,373)	(105,932)
Effect of movements in exchange rates	(203)	-
At 31 December 2014 and 1 January 2015	270,887	159,104
Additions	13,483	4,843
Effect of movements in exchange rates	296	-
At 31 December 2015	284,666	163,947
<i>Accumulated amortisation</i>		
At 1 January 2014	237,406	183,065
Amortisation charge for the year	25,436	14,660
Disposals / written-off	(108,375)	(105,932)
Effect of movements in exchange rates	(20)	-
At 31 December 2014 and 1 January 2015	154,447	91,793
Amortisation charge for the year	30,635	15,736
Impairment losses	21	21
Effect of movements in exchange rates	166	-
At 31 December 2015	185,269	107,550
<i>Net book value</i>		
At 31 December 2014	116,440	67,311
At 31 December 2015	99,397	56,397

15 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Deferred tax assets	82,432	60,082	40,203	53,571
Deferred tax liabilities	(246,974)	(244,011)	(216,448)	(268,421)
Net	(164,542)	(183,929)	(176,245)	(214,850)

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements			
	Credited / (Charged) to:			
	At 1 January 2015	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December 2015
Deferred tax assets				
Accounts receivable	7,881	1,975	-	9,856
Inventories	23,611	7,591	-	31,202
Available-for-sale-investments	399	-	10	409
Long-term investments	8,845	(3,066)	-	5,779
Property, plant and equipment	3,042	3,860	-	6,902
Finance lease liabilities	31,513	-	-	31,513
Employee benefit obligations	66,568	(3,647)	(2,300)	60,621
Others	2,067	149	-	2,216
Total	143,926	6,862	(2,290)	148,498
Deferred tax liabilities				
Available-for-sale-investments	(79,333)	-	2,137	(77,196)
Investments in associates	(59,390)	(37,146)	-	(96,536)
Property, plant and equipment	(188,061)	49,834	-	(138,227)
Finance lease liabilities	(1,150)	773	-	(377)
Others	79	(783)	-	(704)
Total	(327,855)	12,678	2,137	(313,040)
Net	(183,929)	19,540	(153)	(164,542)

Consolidated financial statements				
Credited / (Charged) to:				
	At 1 January 2014	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December 2014
Deferred tax assets				
Accounts receivable	6,858	1,023	-	7,881
Inventories	8,888	14,723	-	23,611
Available-for-sale-investments	388	-	11	399
Long-term investments	8,845	-	-	8,845
Property, plant and equipment	2,701	341	-	3,042
Finance lease liabilities	36,470	(4,957)	-	31,513
Employee benefit obligations	67,655	(690)	(397)	66,568
Others	2,533	(466)	-	2,067
Total	134,338	9,974	(386)	143,926
Deferred tax liabilities				
Available-for-sale-investments	(126,317)	-	46,984	(79,333)
Investments in associates	(37,962)	(21,428)	-	(59,390)
Property, plant and equipment	(235,527)	47,466	-	(188,061)
Finance lease liabilities	(1,425)	275	-	(1,150)
Others	(96)	175	-	79
Total	(401,327)	26,488	46,984	(327,855)
Net	(266,989)	36,462	46,598	(183,929)
Separate financial statements				
Credited / (Charged) to:				
	At 1 January 2015	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December 2015
Deferred tax assets				
Accounts receivable	3,170	(15)	-	3,155
Inventories	14,668	(8,694)	-	5,974
Employee benefit obligations	35,733	(4,090)	(569)	31,074
Total	53,571	(12,799)	(569)	40,203
Deferred tax liabilities				
Available-for-sale-investments	(79,333)	-	2,137	(77,196)
Property, plant and equipment	(188,061)	49,834	-	(138,227)
Finance lease liabilities	(1,150)	773	-	(377)
Others	123	(771)	-	(648)
Total	(268,421)	49,836	2,137	(216,448)
Net	(214,850)	37,037	1,568	(176,245)

	At 1 January 2014	Separate financial statements Credited / (Charged) to:		At 31 December 2014
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Accounts receivable	6,151	(2,981)	-	3,170
Inventories	1,034	13,634	-	14,668
Employee benefit obligations	34,962	1,179	(408)	35,733
Total	42,147	11,832	(408)	53,571
Deferred tax liabilities				
Available-for-sale-investments	(126,317)	-	46,984	(79,333)
Property, plant and equipment	(235,527)	47,466	-	(188,061)
Finance lease liabilities	(1,425)	275	-	(1,150)
Others	(52)	175	-	123
Total	(363,321)	47,916	46,984	(268,421)
Net	(321,174)	59,748	46,576	(214,850)

The deductible temporary differences and unused tax losses that have not been recognised as deferred tax assets are as the following items:

	Consolidated financial statements	
	2015	2014
	(in thousand Baht)	
Deductible temporary differences		
- Inventory	(3,316)	5,988
- Investment	204,426	-
- Property, Plant and Equipment	58,738	253,455
Unused tax losses	163,225	157,499
Total	423,073	416,942

The tax losses will expire during in 2015 – 2020.

16 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Bank overdrafts and short-term loans from financial institutions	1,490,593	2,863,714	960,432	2,255,684
<i>Long-term loans from financial Institution</i>				
Current portion of long-term loans	320,000	450,360	-	-
After one year but within five years	-	320,000	-	-
Total long-term loans from financial Institution	320,000	770,360	-	-
Total interest-bearing liabilities	1,810,593	3,634,074	960,432	2,255,684

The currency denominations of interest-bearing liabilities were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Thai Baht	1,556,369	2,915,683	960,432	2,255,684
US Dollars (Equivalent to Baht)	-	110,360	-	-
Vietnamese Dong (Equivalent to Baht)	254,224	608,031	-	-
Total	1,810,593	3,634,074	960,432	2,255,684

Interest rates

	Consolidated financial statements		
	Loans bearing fixed interest rate	Loans bearing floating interest rate	Total
	<i>(in thousand Baht)</i>		
2015			
Bank overdrafts and short-term loans from financial institution	-	1,490,593	1,490,593
Long-term loans from financial institution	-	320,000	320,000
Total	-	1,810,593	1,810,593
2014			
Bank overdrafts and short-term loans from financial institution	-	2,863,714	2,863,714
Long-term loans from financial institution	-	770,360	770,360
Total	-	3,634,074	3,634,074

	Separate financial statements		
	Loans	Loans	Total
	bearing fixed interest rate	bearing floating interest rate <i>(in thousand Baht)</i>	
2015			
Bank overdrafts and short-term loans from financial institution	-	960,432	960,432
Total	-	960,432	960,432
2014			
Bank overdrafts and short-term loans from financial institution	-	2,255,684	2,255,684
Total	-	2,255,684	2,255,684

As at 31 December 2015, the Group had bank overdraft facility amounting to Baht 490 million (2014: Baht 420 million).

The above long-term loans included loans which bear fixed interest rates for the initial period of the loans and floating interest rates for the remaining period. The terms and schedule of loan repayment are different in each agreement. The above table shows the interest bearing status of the loans as at 31 December 2015 and 2014.

As at 31 December 2015, long-term loans of the Group had a maturity date of repayment in 2016.

The Company's loan agreements contain certain conditions and restrictions relating to commitments in respect of property, plant and equipment of the Company, including maintenance of Debt to Equity ratio and holding portion of major holding company.

17 Trade and other payables

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Trade payables					
Related parties	4	1,088,295	1,017,136	360,093	334,382
Other companies		2,103,379	2,472,089	1,789,618	2,077,117
Total		3,191,674	3,489,225	2,149,711	2,411,499
Other payables					
Related parties	4	192,502	288,622	120,425	193,106
Other companies		178,008	303,646	20,478	78,210
		370,510	592,268	140,903	271,316
Total		3,562,184	4,081,493	2,290,614	2,682,815

18 Employee benefit obligations

The Group and the Company operate post-employment benefit and pension based on the requirements of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement plans benefits and other long-term benefit to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Employee benefit liabilities in statement of financial position as at 31 December

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Defined benefit obligations				
Post-employment benefits				
Legal severance payments plan	265,484	245,331	135,764	128,331
Other long-term employee benefits	23,780	58,381	11,102	41,535
Other employee benefits (pension fund)	10,764	21,740	3,661	3,661
Total employee benefit obligations	300,028	325,452	150,527	173,527
Short-term provision (leave right)	11,301	10,452	4,843	5,141

Movement in the present value of the defined benefit obligations:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	303,712	308,820	169,866	165,691
Transferred from other employee benefits (pension fund)	13,097	-	-	-
Include in profit or loss:				
Current service costs	19,753	20,347	10,171	10,311
Interest on obligations	11,456	11,265	6,330	6,104
Curtailment gain	-	(20,836)	-	-
Actuarial gains recognised in profit or losses	(39,315)	(5,901)	(33,535)	(5,765)
	(8,106)	4,875	(17,034)	10,650
Included in other comprehensive income				
Actuarial gains recognised in other comprehensive income	(11,498)	(1,982)	(2,845)	(2,040)
Other				
Benefits paid by the plan	(7,941)	(8,001)	(3,121)	(4,435)
	(19,439)	(9,983)	(5,966)	(6,475)
Defined benefit obligations at 31 December	289,264	303,712	146,866	169,866

Actuarial gains (losses) recognised in other comprehensive income as of the end of the reporting period arising from:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>For the years ended 31 December 2015</i>		
Demographic assumptions	(18,690)	(7,943)
Financial assumptions	22,544	8,811
Experience adjustment	7,644	1,977
Total	11,498	2,845

Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

Defined benefit plans

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	%			
Discount rate				
- Thailand	3.12, 3.60*	3.46, 3.66*	3.12, 3.21*	3.46, 3.66*
- Vietnam	6.76, 6.78	10.5	-	-
Salary increase rate	2.0 – 8.0	7.1 – 12.0	2.0 – 8.0	7.1
Employee turnover rate	1.5 – 14.0**	2.0 – 11.0**	1.5 – 14.0**	2.0 – 11.0**
Mortality rate	25.00 of	30.00 of	25.00 of	30.00 of
	TMO2008***	TMO2008***	TMO2008***	TMO2008***

* Legal severance payments plan and Pension

** Upon the length of service

*** Reference from TMO2008: Thai Mortality Ordinary Table 2008

Sensitivity analysis

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit plans by the amounts shown below.

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Effect on the defined benefit plans at 31 December 2015		
Discount rate		
0.5% increase	(17,888)	(7,356)
0.5% decrease	19,549	7,932
Salary increase rate		
1% increase	39,491	15,825
1% decrease	(33,792)	(13,908)
Employee turnover rate		
10% increase	(5,865)	(2,430)
10% decrease	6,032	2,485

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

19 Share capital

	Par value per share <i>(in Baht)</i>	2015		2014	
		Number	Baht	Number	Baht
		<i>(thousand share /in thousand Baht)</i>			
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	875,000	875,000	875,000	875,000
At 31 December					
- ordinary shares	1	<u>875,000</u>	<u>875,000</u>	<u>875,000</u>	<u>875,000</u>
<i>Issued and fully paid</i>					
At 1 January					
- ordinary shares	1	875,000	875,000	875,000	875,000
At 31 December					
- ordinary shares	1	<u>875,000</u>	<u>875,000</u>	<u>875,000</u>	<u>875,000</u>

20 Reserves and other components of shareholders' equity

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

Fair value changes in available-for-sale investments

The fair value change in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

21 Segment information

Segment information is presented in respect of the Group's business segments based on the Group's management and internal reporting structure.

Segment assets, revenues and results of operations include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group's business segments are as follow:

PVC business	Manufacturing and sales of PVC
Related to PVC business	Manufacturing and sales product related to PVC, which include pipes, fittings and finished plastic products produce from PVC
Other business	Other business consist of manufacturing and sales of compound, mould, investments and engineering service.

The segment information is presented to the management in order to assess segment's performance and to allocate resources to those segments. The Group's performance is measured based on earnings before interest, tax and depreciation and amortisation (EBITDA).

Business segment information for the year ended at 31 December 2015 and 2014 as follows:

2015

	PVC	Related to PVC	Others (in thousand Baht)	Total	Eliminations	Net
Revenue						
External revenue	19,275,772	9,566,679	735,651	29,578,102	-	29,578,102
Inter-segment revenue	3,619,795	77,058	16,050	3,712,903	(3,712,903)	-
Total segment revenue	22,895,567	9,643,737	751,701	33,291,005	(3,712,903)	29,578,102
Gross profit	2,168,696	2,495,609	123,367	4,787,672	(49,251)	4,738,421
Dividend income	1,569,815	8	-	1,569,823	(1,102,880)	466,943
Other income	25,609	32,358	26,994	84,961	(27,861)	57,100
Net foreign exchange gain	5,117	9,101	1,490	15,708	-	15,708
Selling and Administrative expenses	(1,231,682)	(1,431,970)	(61,792)	(2,725,444)	9,021	(2,716,423)
Impairment loss of investment	(204,426)	-	-	(204,426)	-	(204,426)
Finance costs	(70,556)	(25,144)	(774)	(96,474)	18,812	(77,662)
Share of profits of associates and joint venture	70,091	319,021	-	389,112	-	389,112
Income tax expense	(144,496)	(190,355)	(13,104)	(347,955)	11,459	(336,496)
Profit for the year	2,188,168	1,208,628	76,181	3,472,977	(1,140,700)	2,332,277
Interest income	1,201	2,791	18,181	22,173	(18,812)	3,361
Interest expense	(70,556)	(25,144)	(774)	(96,474)	18,812	(77,662)
Depreciation and amortisation charge	(1,104,429)	(404,940)	(21,401)	(1,530,770)	-	(1,530,770)
Segment assets as at 31 December 2015	18,902,521	6,682,565	1,589,480	27,174,566	(2,812,282)	24,362,284

2014

	PVC	Related to PVC	Others (in thousand Baht)	Total	Eliminations	Net
Revenue						
External revenue	21,405,009	9,543,477	921,103	31,869,589	-	31,869,589
Inter-segment revenue	3,939,507	62,784	8,013	4,010,304	(4,010,304)	-
Total segment revenue	25,344,516	9,606,261	929,116	35,879,893	(4,010,304)	31,869,589
Gross profit	1,094,050	2,057,933	141,142	3,293,125	(8,417)	3,284,708
Dividend income	180,995	5	-	181,000	(154,088)	26,912
Other income	61,793	52,178	28,319	142,290	(67,615)	74,675
Net foreign exchange gain (loss)	(163,220)	7,250	668	(155,302)	-	(155,302)
Selling and Administrative expenses	(1,117,468)	(1,281,710)	(62,477)	(2,461,655)	42,909	(2,418,746)
Finance costs	(70,909)	(33,890)	(503)	(105,302)	24,676	(80,626)
Share of profits of associates and joint venture	30,249	238,172	-	268,421	-	268,421
Income tax expense	23,942	(131,892)	(13,496)	(121,446)	-	(121,446)
Profit for the year	39,432	908,046	93,653	1,041,131	(162,535)	878,596
Interest income	6,730	5,356	22,484	34,570	(24,676)	9,894
Interest expense	(70,909)	(33,890)	(503)	(105,302)	24,676	(80,626)
Depreciation and amortisation charge	(900,225)	(355,784)	(23,090)	(1,279,099)	-	(1,279,099)
Segment assets as at 31 December 2014	19,377,833	6,368,949	1,724,044	27,470,826	(2,721,423)	24,749,403

Geographical segments

In presenting information on the basis of geographical segments, segment revenue and assets are based on the geographical location of assets.

Information relating to geographical segments for the years ended 31 December 2015 and 2014 as follows:

	2015			
	Domestic	Oversea	Eliminations	Total
	<i>(in thousand Baht)</i>			
Revenue				
External revenue	21,538,355	8,039,747	-	29,578,102
Inter-segment revenue	3,684,545	28,358	(3,712,903)	-
Total segment revenue	25,222,900	8,068,105	(3,712,903)	29,578,102
	2014			
	Domestic	Oversea	Eliminations	Total
	<i>(in thousand Baht)</i>			
Revenue				
External revenue	23,498,234	8,371,355	-	31,869,589
Inter-segment revenue	3,993,222	17,082	(4,010,304)	-
Total segment revenue	27,491,456	8,388,437	(4,010,304)	31,869,589

Geographical information for years ended 31 December 2015 and 2014 as follows:

	2015			
	Domestic	Oversea	Eliminations	Total
	<i>(in thousand Baht)</i>			
Non-current assets*	17,131,234	1,471,074	(2,206,333)	16,395,975
	2014			
	Domestic	Oversea	Eliminations	Total
	<i>(in thousand Baht)</i>			
Non-current assets*	16,220,032	1,553,772	(2,098,120)	15,675,684

* Non-current assets do not include deferred tax assets.

Major customer

The Group had no revenues from one external customer constituting more than 10 percent of the Group's total revenues for the years 2015 and 2014.

22 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Distribution expenses	737,232	667,777	310,848	247,586
Others	310,172	237,989	10,647	6,531
Total	1,047,404	905,766	321,495	254,117

23 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Personnel expenses in administration	736,787	719,441	352,722	308,964
Allowance for impairment of investments	204,426	-	-	-
Professional fee	118,474	155,317	83,005	79,252
Outside wages	113,326	77,809	19,220	3,371
Rent	110,123	105,466	15,779	18,269
Management benefit expenses	80,907	79,875	80,907	79,875
Depreciation and amortisation expenses	49,458	44,964	16,015	19,235
Others	459,944	330,108	54,136	84,028
Total	1,873,445	1,512,980	621,784	592,994

24 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Salaries, wages and others	1,647,638	1,382,955	817,904	624,241
Pension costs - defined benefit plans	2,179	35,743	(16,920)	10,651
Pension costs - defined contribution plans	70,510	68,575	31,376	30,183
Others	184,231	167,625	56,860	45,903
Total	1,904,558	1,654,898	889,220	710,978

The Group has provident fund plans to provide retirement and gratuity benefits to employees. For most of the plans, the benefits made solely by the Group are payable to the employees upon resignation at 5% to 10% of the employees' salaries, depending on the length of employment. In addition to the above provident funds, since April 1995, the Group has established a contributory provident fund covering substantially all employees. This fund was registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership is voluntary upon employees attaining permanent status. Under the regulations of the fund, members are required to make monthly contributions to the fund at 2% to 13% of the members' basic salaries and the Group is required to make monthly contributions to the fund at 5% to 13% of the members' basic salaries, depending on the length of employment.

25 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
		(in thousand Baht)			
Current tax expense					
Current year		354,064	157,739	151,023	24,732
Under (over) provided in prior years		1,970	169	(4,238)	(1,460)
		<u>356,034</u>	<u>157,908</u>	<u>146,785</u>	<u>23,272</u>
Deferred tax					
Movements in temporary differences	15	(19,540)	(36,462)	(37,037)	(59,748)
Total		<u>336,496</u>	<u>121,446</u>	<u>109,748</u>	<u>(36,476)</u>

Income tax recognised in other comprehensive income

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Available-for-sale financial assets	15	(2,147)	(46,995)	(2,137)	(46,984)
Defined benefit plan actuarial gains	15	2,300	397	569	408
Total		<u>153</u>	<u>(46,598)</u>	<u>(1,568)</u>	<u>(46,576)</u>

Reconciliation of effective tax rate

		Consolidated financial statements			
		2015		2014	
	Rate (%)	<i>(in thousand Baht)</i>		<i>(in thousand Baht)</i>	
Profit before income tax expense		2,668,773		1,000,042	
Income tax using the Thai corporation tax rate	20	533,755		200,008	
Effect of different tax rates in foreign jurisdictions		4,311		776	
Difference in effective tax rate of share of profit associate and joint ventures		(40,676)		(32,256)	
Income not subject to tax		(225,672)		(72,910)	
Addition expenses deductible for tax purposes		(9,373)		(4,820)	
Expenses not deductible for tax purposes and others		91,721		66,941	
Current year income tax	13	<u>354,066</u>		<u>157,739</u>	
Under provided in prior years		1,970		169	
Movements in temporary differences		(19,540)		(36,462)	
Total	13	<u>336,496</u>		<u>121,446</u>	

	Separate financial statements			
	2015		2014	
	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>
Profit before income tax expense		2,552,957		247,022
Income tax using the Thai corporation tax rate	20	510,591	20	49,404
Income not subject to tax		(411,929)		(90,659)
Expenses not deductible for tax purposes		52,361		65,987
Current year income tax	6	151,023	10	24,732
Over provided in prior years		(4,238)		(1,460)
Movements in temporary differences		(37,037)		(59,748)
Total	4	109,748	(15)	(36,476)

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants an order to maintain the corporate income tax rate at 20% of net taxable profit for the accounting period which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in the determining of deferred tax assets and liabilities as at 31 December 2015 and 2014 based upon FAP' clarification of reduction in the corporate income tax rate in 2012. On 22 January 2016, The National Legislative Assembly has approved a reduction of the statutory corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

26 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December were based on net profit attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht/ thousand shares)</i>			
Net profit attributable to equity holders of the Company	2,261,459	849,375	2,443,209	283,498
Number of ordinary shares outstanding	875,000	875,000	875,000	875,000
Basic earnings per share <i>(in Baht)</i>	2.58	0.97	2.79	0.32

27 Promotional privileges

By virtue of the provisions of the Investment Promotion Act B.E. 2520, the Group has been granted privileges by the Board of Investment related to: (1) manufacturing of EDC, VCM, PVC Resin, Caustic Soda and by-products and investment in research and development of PVC business; (2) manufacturing of PVC Stabilizer; (3) manufacturing of PVC Paste Resin; (4) manufacturing of plastic products, plastic parts and molds; and (5) manufacturing of dies, molds, jigs and fixtures.

Subject to certain specified conditions, the tax privileges include the followings:

- Exemption from import duty on approved machinery and 50% reduction of import duties for machinery not subject to the import tax reduction schedules as per Ministerial Regulation No. Sor Kor 13/2533.
- Exemption from import duty on the raw and essential materials imported for use specially in producing for export for a periods of 1-5 years from the date of first import.
- Special permission to take certain deductions in addition to normal expenses in the computation of net profit for tax purposes.
- Exemption of corporate income tax on profit from the promoted business according to certain prescribed in the promotional certificates for a period of 3-8 years commencing from the date on which revenue from the promoted business is first earned.
- Corporate income tax reduction on the net profit from promoted business at the rate of fifty percent of normal rate for a period of five years from the expiry of corporate income tax exemption.
- 5% reduction of any increase in income over the previous year from exports for a period of 10 years from the date on which the Company first receives promoted operating revenues
- Exemption from income tax on dividends paid to the shareholders from the profits derived from promoted business during the promotion period.

As promoted companies, the Company and its subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements			
	2015		2014	
	Promoted businesses	Non- promoted businesses	Total (in thousand Baht)	Promoted businesses Non- promoted businesses Total
Revenues				
Income from export sales	32,340	8,007,407	8,039,747	8,361,440
Income from local sales and service income	5,729,771	15,808,584	21,538,355	16,621,353
Total income	5,762,111	23,815,991	29,578,102	24,982,793
Share of profit of associates and joint venture			389,112	8,371,355
Dividend income			466,943	23,498,234
Other income and net foreign exchange gain			72,808	31,869,589
Total revenues			30,506,965	32,239,597
	Separate financial statements			
	2015		2014	
	Promoted businesses	Non- promoted businesses	Total (in thousand Baht)	Promoted businesses Non- promoted businesses Total
Revenues				
Income from export sales	-	5,139,929	5,139,929	5,720,989
Income from local sales and service income	3,753,294	12,341,516	16,094,810	18,513,345
Total income	3,753,294	17,481,445	21,234,739	24,234,334
Dividend income			1,716,396	374,302
Other income and net foreign exchange gain			64,322	33,263
Total revenues			23,015,457	24,641,899

28 Dividends

At the annual general meeting of the shareholders of the Company held on 25 March 2014, the shareholders approved the appropriation of dividend from net profit of 2013 of Baht 1.80 per share, amounting to Baht 1,575 million. The interim dividends of Baht 0.60 per share, amounting to Baht 525 million, were paid to the shareholders on 28 August 2013. The balance dividends of Baht 1.20 per share, amounting to Baht 1,050 million were paid to the shareholders on 23 April 2014.

At the Board of Directors meeting of the Company held on 29 July 2014, the Board approved the appropriation of the interim dividends of Baht 0.15 per share, amounting to Baht 131.25 million, for the year 2014. The interim dividends were paid to the shareholders on 27 August 2014.

At the annual general meeting of the shareholders of the Company held on 24 March 2015, the shareholders approved the appropriation of dividend from net profit of 2014 of Baht 0.50 per share, amounting to Baht 437.5 million. The interim dividends of Baht 0.15 per share, amounting to Baht 131.25 million, were paid to the shareholders on 27 August 2014. The balance dividends of Baht 0.35 per share, amounting to Baht 306.25 million were paid to the shareholders on 22 April 2015.

At the Board of Directors meeting of the Company held on 23 July 2015, the Board approved the appropriation of the interim dividends of Baht 0.40 per share, amounting to Baht 350 million, for the year 2015. The interim dividends were paid to the shareholders on 19 August 2015.

29 Financial instruments

The Group is exposed to risks from changes in market interest rates and in currency exchange rates and from non-performance of contractual obligations by counterparties. The Group's financial risk management and policies are using derivative instruments, as and when it considers appropriate, to manage such risks. The Group does not hold or issue derivative instruments for speculative or trading purposes.

Interest rate risk

Interest rate risk arises from the changing of interest rates in the market which effects net interest expense. The Group manages interest rate risk by using both fixed interest rates and floating interest rates, depending on the market circumstances.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases, sales and borrowings, which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies.

As at 31 December 2015 and 2014, the Group had assets and liabilities denominated in foreign currencies which were not hedged from foreign currency risk but mitigates this risk by maintaining a balance of financial assets and liabilities denominated in foreign currencies as follows:

Consolidated financial statements				
	US Dollars		Vietnamese Dong	
	2015	2014	2015	2014
	<i>(Unit : thousand Baht)</i>			
Assets denominated in foreign currencies	1,203,347	1,108,125	75,533	51,400
Less hedged amounts	(10,922)	-	-	-
Non-hedged amounts	<u>1,192,425</u>	<u>1,108,125</u>	<u>75,533</u>	<u>51,400</u>
Liabilities denominated in foreign currencies	1,842,859	2,089,576	-	-
Less hedged amounts	(18,771)	(391,905)	-	-
Non-hedged amounts	<u>1,824,088</u>	<u>1,697,671</u>	<u>-</u>	<u>-</u>
Separate financial statements				
	US Dollars		Vietnamese Dong	
	2015	2014	2015	2014
	<i>(Unit : thousand Baht)</i>			
Assets denominated in foreign currencies	1,131,776	1,100,636	75,533	51,400
Less hedged amounts	(10,922)	-	-	-
Non-hedged amounts	<u>1,120,854</u>	<u>1,100,636</u>	<u>75,533</u>	<u>51,400</u>
Liabilities denominated in foreign currencies	953,731	1,317,837	-	-
Less hedged amounts	(18,771)	(391,905)	-	-
Non-hedged amounts	<u>934,960</u>	<u>925,932</u>	<u>-</u>	<u>-</u>

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group follows up to check that customers or counterparties make payment on schedule and takes appropriate action on defaulters. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of borrowings and short-term credit facilities with commercial banks and financial institutions, deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values of financial assets and liabilities, together with the carrying values shown in the consolidated of financial position at 31 December were as follows:

	Carrying amount	Consolidated financial statements	Separate financial statements
		Fair value	
		Level 2	Level 2
		(in million Baht)	
31 December 2015			
Current			
Derivatives - foreign currency forward contracts			
Trade and other receivables	10,922	10,922	10,922
Trade and other payables	18,771	18,771	18,771

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

30 Commitments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Commitments under lease agreements and service agreements</i>				
Within one year	287,191	278,089	229,297	231,991
After one year but within five years	1,138,419	1,166,787	1,079,039	1,097,364
After five years	882,210	1,156,724	882,210	1,156,724
Total	2,307,820	2,601,600	2,190,546	2,486,079
<i>Other commitment</i>				
Commitment for purchasing land, construction and installation of machinery implementation project	168,025	1,156,147	85,607	962,375
Unused and irrevocable letters of credit	282,370	5,997	282,370	5,997
Commitment for construction of installation of machinery of joint venture	490,402	517,445	-	-
Purchases of raw materials	107,386	-	107,386	-
Total	1,048,183	1,679,589	475,363	968,372

The Group has commitments under lease agreements and service agreements in respect of port, land, buildings, copy machines, computers and cars, which have various periods specified in the agreements.

During the year 2014, the Company entered into a tank operations and port service agreement with a company. The Company is committed to payment of service fees as indicated in the agreement for 11 years and 6 months, commencing from July 2014 and expiring in December 2025.

During the year 2014, the Company entered into various long-term agreements to purchase raw material for production with a related company and a pipeline service agreement with a company at selling prices calculated according to conditions in agreement, which are based on market process. The agreements are for 10 years, terminating in 2024.

Forward exchange contract

As at 31 December 2015, the Company had outstanding forward exchange contracts for purchase of US Dollars 0.52 million and Euro 0.05 million (2014: US Dollars 11.91 million and Euro 0.70 million), and forward exchange contracts for sale of US Dollars 0.30 million (2014: nil).

Other long-term contracts

The Company entered into long-term agreements with two companies to purchase raw material for 13 and 3 years. The prices are agreed in accordance with market price. The agreements expire in 2016 and 2017, respectively.

The Company entered into certain long-term agreements to purchase utilities from certain companies for periods of 10 years to 20 years. The price is agreed in accordance with market price. The agreements will expire during 2016 to 2027.

As at 25 July 2013, the joint venture entered into long-term agreement with a certain company in Vietnam to purchase raw materials for period of 17 years.

31 Contingent liabilities

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<i>From non-related parties</i>				
Bank guarantees	<u>1,260</u>	<u>1,000</u>	<u>1,260</u>	<u>1,000</u>

Contingent liability includes bank guarantees relating mainly to duty and others.

32 Capital management

The management of the Group has the capital management policy for which to maintain a strong capital base by emphasis in planning and determining the operating strategies resulting in good business's performance and sustain good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustain future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

33 Event after the reporting period

At the meeting of the board of directors of the Company held on 26 January 2016, the board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2015 dividend payment of Baht 1.55 per share, amounting to Baht 1,356.25 million. The Company paid interim dividend of Baht 0.40 per share in August 2015 as discussed in note 28. Thus, the final dividend of Baht 1.15 per share was scheduled for payment on 27 April 2016. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 29 March 2016.

34 Other

- a) The Central Administrative Court delivered its judgment to revoke permits issued after the Constitution B.E. 2550 to projects which are on the list of 11 categories of severe impact projects, announced by the Ministry of Natural Resources and Environment on 31 August 2010. Only 1 project which represents a total of Baht 200 million investments belongs to the Company and is now fully compliant with paragraph 2 of Article 67 of the Constitution B.E. 2550. However, in July 2014, the Supreme Administrative Court has revoked the injunction for continuing in the project and in October 2014, the Company obtained a permit from Industrial Estate Authority of Thailand. At the present, the project is able to operate as normal.

At present, the plaintiffs and the government authorities have already appealed the judgement of the Central Administrative Court to the Supreme Administrative Court.

- b) The Company has been notified by the Revenue Department to change the net loss from promotional privileges by decreasing part of the loss carried forward for the years 2003 and 2004. However, the Company submitted an appeal against the change in net loss to the Board of Appeals in June 2014 which is being considered by the Board.

35 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

The Group has not adopted the revised TFRSs that have been issued but are not yet effective. The revised TFRSs will become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table:

TFRSs	Topic	Year effective
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41	Agriculture	2016
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 4 (revised 2015)	Insurance Contracts	2016
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations	2016
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities	2016

TFRSs	Topic	Year effective
TSIC 15 (revised 2015)	Operating Leases - Incentives	2016
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016
TSIC 29 (revised 2015)	Disclosure - Service Concession Arrangements	2016
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) <i>Financial Reporting in Hyperinflationary Economies</i>	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) <i>Employee Benefits</i> - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners	2016
TFRIC 18 (revised 2015)	Transfers of Assets from Customers	2016
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine	2016
TFRIC 21	Levies	2016

Management has made a preliminary assessment of the potential initial impact on the Group's consolidated financial statements of the revised TFRSs and expects that there will be no material impact on the consolidated financial statements in the period of initial application.

19. References

Share Registrar

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20. Investor Information

Name of Company	Thai Plastic and Chemicals Public Company Limited	
Abbreviated Name	TPC (registered in Listed on the Stock Exchange of Thailand - SET)	
Company's Registration Number	0107537001242	
Type of Business	Manufacturer and distributor of PVC resin and related products	
Website	www.thaiplastic.co.th	
Establishment	December 2, 1966	
Commercial Operation	May 1, 1971	
Registration in SET	April 27, 1984	
Location of Head Office	1 Siam Cement Road, Bangsue, Bangkok 10800	
Registered Capital	875,000,000 Baht	
Paid-up Capital	875,000,000 Baht comprised of 875,000,000 ordinary shares	
Par Value	1 Baht par value	
Preferred Share	None	
Fiscal Year	January 1 – December 31	
Products and Production Capacity	PVC resin	886,000 tons per year
	PVC compound	80,000 tons per year
	Caustic Soda (50%)	52,000 tons per year
	PVC pipe and fittings	181,000 tons per year
	PVC profile	26,500 tons per year
Contact for Corporate Data	Business Development Telephone +66 2827 7282 Fax +66 2827 7273 Corporate Secretary Office Telephone +66 2586 1393 Fax +66 2586 3007 E-mail contact_tpc@scg.co.th	

Investors can learn more about the Company from the annual statement (Form 56-1) as shown at www.sec.or.th or at the Company's website, www.thaiplastic.co.th.



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